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By Hon. Philo Parsons
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PROCEEDINGS
OF THE
THIRD ANNUAL MEETING
OF THE
NATIONAL BOARD OF TRADE,
HELD IN BUFFALO,
DECEMBER, 1870.

BOSTON:
1871.
BARKER, COTTER & CO., PRINTERS,
14 STATE STREET.

"I hope yet to find at least one who will be able to demonstrate vigorously this proposition: *The good of each tends to the good of all, as the good of all tends to the good of each*; and who will, moreover, be able to impress this truth upon men's minds by rendering the proof of it simple, lucid and irrefragable. The man who does this will have resolved the social problem, and be the benefactor of the human race."

BASTIAT.

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INTRODUCTORY NOTE.

THE present is the fourth volume of transactions issued by the National Board of Trade. The first gave an account of the meeting in Philadelphia at which the Board was organized; the second and third contained the proceedings of the meetings in Cincinnati and Richmond; the fourth presents a report of what was said and done at Buffalo. The debates, reported by Mr. J. M. W. YERRINTON, are, as previously, given in full, slight verbal corrections only having been made, which do not change the sense of what was spoken.

The series, as it stands, is respectfully commended to the members of the constituent bodies, and to all who desire to be informed upon the views of the representative business men of the country in relation to the commercial and financial questions of the day. There is hardly a question of this class, which has not been considered more or less fully at some one of the meetings; and to the extent to which each has been discussed, it will be found that new light has been thrown upon it by the remarks of those, who, from widely separated localities, and with widely different training and experience, have participated in its elucidation. The delegates of the Philadelphia Commercial Exchange, in reporting to their constituency after their return from Buffalo, used the following language in reference to the volumes previously published by the Board: "They abound in terse discussions. They record the deeply felt convictions of men who have spent days and nights in pondering the means of safety and success in their mercantile enterprises. It should be the pride of the merchant to have his superior judgment in his peculiar province recognized everywhere. He should be his own interpreter to 'listening senates,' and should not permit his dearest interests to be lamely handled or weakly sacrificed by those who fail to apprehend them, or who have but a secondary concern in them." It is believed that in the variety and importance of the topics considered, as well as in the manner of their treatment, the present volume will prove, on perusal, to be no less interesting and valuable than those which have preceded it.

It was remarked by the President at the close of the recent meeting, that the importance of the proceedings of the National Board of Trade lies quite as much in the discussions which take place as in the votes which follow them, and this is undoubtedly true. The vote of the Board on a given subject, being recommendatory only and not authoritative, may or may not lead to immediate legislation, or such other action in reference to it as is desired; but its thorough and candid examination by practical and experienced men, is sure to lead, in the first place, to harmony of opinion among themselves, and secondly, to the creation of a commercial public sentiment which sooner or later will secure the desired result. It is principally for the sake of the effect referred to in creating public sentiment, that these discussions are published almost without abridgment, and given to the country; while at the same time, they are useful in illustrating the precise nature of the work which the Board is endeavoring to perform.

H. A. H.

Boston, February 15, 1871.

CONSTITUTION

OF THE

NATIONAL BOARD OF TRADE,

ADOPTED AT PHILADELPHIA, JUNE 5, 1868,

AND AS SINCE AMENDED.

DECLARATION.

IN order to promote the efficiency and extend the usefulness of the various Boards of Trade, Chambers of Commerce and other chartered bodies, organized for general commercial purposes, in the United States ; in order to secure unity and harmony of action in reference to commercial usages, customs and laws ; and especially, in order to secure the proper consideration of questions pertaining to the financial, commercial and industrial interests of the country at large, this Association on this fifth day of June, 1868, is hereby formed by delegates, now in session in the city of Philadelphia, representing the following named commercial organizations, to wit :

Albany Board of Trade,	New York Chamber of Commerce,
Baltimore Board of Trade,	New York Produce Exchange,
Boston Board of Trade,	Oswego Board of Trade,
Boston Corn Exchange,	Peoria Merchants Exchange,
Buffalo Board of Trade,	Philadelphia Board of Trade,
Charleston Board of Trade,	Philadelphia Commercial Exchange,
Chicago Board of Trade,	Pittsburgh Board of Trade,
Cincinnati Chamber of Commerce,	Portland Board of Trade,
Cleveland Board of Trade,	Providence Board of Trade,
Denver Board of Trade,	Richmond Chamber of Commerce,
Detroit Board of Trade,	St. Louis Board of Trade,
Dubuque Produce Exchange,	St. Louis Union Merchants' Exch.,
Louisville Board of Trade,	St. Paul Chamber of Commerce,
Milwaukie Chamber of Commerce,	Toledo Board of Trade,
Newark Board of Trade,	Troy Board of Trade,
New Orleans Chamber of Com.,	Wilmington, (Del.) Board of Trade.

And the following Constitution is adopted :

ARTICLE I.

SECTION 1. This Association shall be designated the NATIONAL BOARD OF TRADE.

ARTICLE II.

SECTION. 1. Every local Board of Trade, Chamber of Commerce, or other body organized for general commercial, and not for special or private purposes, and duly chartered under State or National laws, shall be entitled to membership in this Association, on the approval of two-thirds of the bodies represented at any meeting of the Association, and shall be accorded the following representation ; Each such association having fifty members who have the right to vote therein, shall be entitled to one delegate ; having one hundred members, two delegates ; having three hundred members, three delegates ; having five hundred members, four delegates ; and for each additional five hundred members, one additional delegate.

SEC. 2. Delegates who shall in all cases be active members of not less than one year's standing of the respective bodies which they represent, shall be selected by the local organizations in such manner and for such term of not less than one year, as each may see fit. At each meeting of the Board they shall present credentials under seal from the Secretaries of their respective constituencies ; these credentials shall certify the number of members authorized to vote then connected with the body which is claiming representation, and which may present or may have a copy of its charter on file in this Board.

ARTICLE III.

SECTION 1. Each delegate shall be entitled to one vote in person, but no voting by proxy shall be allowed. All votes, except for election of officers, shall be *viva voce*. Any delegate may demand a division of the house, and on the demand of three or more delegates, a call of the yeas and nays shall be had, the result of the same to be duly recorded.

ARTICLE IV.

SECTION 1. The administration of the affairs of this Board shall be vested in a President and fourteen Vice-Presidents, who shall be elected at the annual meeting by ballot on a majority of all the votes cast, and who shall serve until their successors are chosen.

Their election shall be the first business in order. They shall be constituted and known as an Executive Council, and five of their number shall be a quorum for the transaction of business. In the absence or disability of the President, a Vice-President, to be designated by his associates, shall serve.

SEC. 2. It shall be the duty of the Executive Council, immediately after their election, to select a Secretary and a Treasurer, (neither of whom shall be of their own number,) who shall hold office for such time, and who shall receive such compensation as the Council may determine.

SEC. 3. The offices of the Secretary and the Treasurer may be located at such places as the Council shall determine.

SEC. 4. Special meetings of the Council shall be held on the call of seven members thereof, at such place as they may designate, on twenty days' notice to be given by the Secretary.

SEC. 5. In case of the removal, resignation, or death of any member of the Council, his place for the unexpired term, shall be promptly filled by the constituent association of which he was a member.

ARTICLE V.

SECTION 1. It shall be the duty of the Executive Council:

1st. To provide for full and accurate records of the proceedings of the Board and of its own meetings.

2nd. To submit to each annual meeting a report of the doings of the Board and of its own official acts, as well as a statement of what new or unfinished business may require attention.

3rd. To make full statement concerning the finances of the Board to the annual meetings, and to other meetings, when called on to do so.

4th. To apportion to each constituent body, its assessment for the expenses of the Board, as provided elsewhere.

5th. To make such recommendations as it may deem to be necessary for the welfare and to promote the objects of the Board.

SEC. 2. The Secretary shall conduct the official correspondence, and shall make and have charge of the records of the Board and of the Executive Council.

SEC. 3. The Treasurer shall give such security as the Executive Council may require, receive and account for all moneys belonging to the Board, and collect assessments and fines, but he shall pay out money and dispose of the property of the Board only on a warrant of the Secretary, countersigned by the President.

ARTICLE VI.

SECTION 1. A meeting of the National Board of Trade shall be held on the first Wednesday in December of each year, at such place as shall have been determined upon at a previous meeting, on the majority vote of all the constituent bodies represented.

SEC. 2. Special meetings may be held on the call of eight members of the Executive Council, at such place as they may designate.

SEC. 3. The attendance of forty delegates shall constitute a quorum.

SEC. 4. Notice of the annual or other meetings shall be served by the Secretary on each constituent body at least thirty days before the time appointed for assembling. The notice shall state the objects of the meeting, and the questions to be considered.

SEC. 5. A meeting of the Executive Council shall be held on the day preceding the day of any meeting of the Board and at such other times as may be provided in its By-Laws.

ARTICLE VII.

SECTION 1. The expenses of the Board shall be provided for by an assessment to be made by the Executive Council on each constituent body, according to the ratio of its officially reported membership.

ARTICLE VIII.

SECTION 1. Questions or resolutions, except those which involve points of order, or refer to matters of courtesy, can be submitted only by the constituent bodies of the Board or by the Executive Council; and when any constituent body shall desire to present a subject for the consideration of the Board, it shall do so in a written paper to

be placed in the hands of the Secretary at least forty days previous to the annual or special meeting at which it is to be considered: *Provided, however*, That any subject not thus submitted may be considered and acted upon by a vote of two-thirds of the delegates present.

ARTICLE IX.

SECTION 1. Any constituent body charged with a violation of the laws of this Board may, after a formal complaint thereof in writing, on a vote of two-thirds of all the delegates of the other bodies represented herein, be expelled; but it shall not be exempted from the payment of assessments levied for the year current.

SEC. 2. Any constituent body may withdraw from membership in the Board on submitting a formal request to that effect at an annual meeting, and on full payment of all dues.

ARTICLE X.

SECTION 1. This Constitution may be amended at an annual meeting, on a vote of two-thirds of the delegates present; notice of the proposed amendment having been first submitted to the Secretary by a constituent body, at least forty days previous to the meeting at which the same is to be considered, and transmitted by the Secretary in circular copies to each constituent body at least thirty days before said meeting.

ARTICLE XI.

SECTION 1. This meeting of delegates, called in accordance with the plan of preliminary organization adopted by the Commercial Convention held in Boston on the fifth day of February last, shall be regarded as the first meeting of the National Board of Trade, and is hereby empowered to choose officers, to serve until their successors shall be elected, and to act upon all papers and resolutions laid before it, the same to be considered as having been submitted in the form and manner required by this Constitution.

BY-LAWS.

I. THE following shall be the order of business at the annual meetings of the Board :

1st. The call of the roll.

2nd. The reading of the reports of the Executive Council, and the Treasurer.

3rd. The election of officers.

4th. The reception of papers from associations seeking admission to membership, to be referred to a Committee on Credentials, to consist of five delegates, which shall have leave to sit during the sessions of the Board.

5th. The reception of letters from associations seeking to withdraw from the Board, to be referred to the same Committee.

6th. The consideration of any subjects proposed in the annual report of the Executive Council, or in the hands of Committees appointed at a previous meeting.

7th. The consideration of the subjects on the official programme, in the order in which they are there placed, unless otherwise recommended by the Executive Council.

II. At the annual election, before balloting for President, it shall be competent for delegates to make nominations for that office ; and before balloting for Vice-Presidents, each delegation present shall be called upon to make a nomination, and the fourteen persons whose names shall stand highest upon the ballot, provided that they have received a majority of all the votes cast, shall be declared to have been elected.

III. Any resolutions on new business not upon the official programme, or recommended by the Executive Council, excepting those relating to points of order or matters of courtesy, shall be referred to the Executive Council before final action be taken upon them.

IV. At the meetings of the Board, no delegate shall speak more than ten minutes on one question, without the leave of the Board, nor more than twenty minutes without unanimous consent.

V. A vote of two-thirds of the delegates present shall be necessary to carry the approval of the Board upon any proposition which may appear or which may be placed upon the official programme.

VI. The rules of the House of Representatives of the United States shall govern the deliberations of the Board, so far as they may be applicable and in harmony with the Constitution and By-Laws.

VII. The annual assessment laid by the Executive Council shall be considered as due at the beginning of the year; and no constituent body shall be represented at any meeting of the Board, unless its assessments then due shall have been paid.

VIII. The annual assessment shall be based upon the officially reported membership of the constituent bodies at the date of the annual meeting at which it is made.

IX. The Executive Council shall recommend at each annual meeting the place at which it judges it to be expedient that the next annual meeting shall be held.

X. The term of service of not less than one year for which delegates are elected, shall commence with the date of the annual meeting of this Board.

XI. These By-Laws may be amended at an annual meeting, on a vote of two-thirds of the delegates present.

OFFICERS FOR 1871.

PRESIDENT:

FREDERICK FRALEY, *Philadelphia.*

VICE-PRESIDENTS:

ROBERT R. KIRKLAND,	<i>Baltimore.</i>
AVERY PLUMER,	<i>Boston.</i>
GEORGE S. HAZARD,	<i>Buffalo.</i>
WILLIAM L. TRENHOLM,	<i>Charleston.</i>
CHARLES RANDOLPH,	<i>Chicago.</i>
JOHN A. GANO,	<i>Cincinnati.</i>
THOMAS A. WALTON,	<i>Cleveland.</i>
GEORGE F. BAGLEY,	<i>Detroit.</i>
EDWARD D. HOLTON,	<i>Milwaukee.</i>
JOHN C. JOHNSON,	<i>Newark.</i>
GEORGE OPDYKE,	<i>New York.</i>
JOHN B. BROWN,	<i>Portland.</i>
WILLIAM M. McPHERSON,	<i>St. Louis.</i>
R. G. SNEATH,	<i>San Francisco.</i>

SECRETARY and TREASURER:

HAMILTON A. HILL, *Boston.*

MEMBERS OF THE NATIONAL BOARD OF TRADE.

NAMES.	Date of Organization.	Date of Incorporation.	Reported Membership January, 1871.	President, 1871.	Secretary, 1871.
Augusta, (Ga.), Board of Trade.....	..	1869	70	E. Thomas	A. C. Ives.
Baltimore Board of Trade.....	1849	1862	410	A. Schumacher...	G. U. Porter.
Baltimore Corn and Flour Exchange.	1855	1855	459	W. S. Young.....	W. F. Wheatley.
Boston Board of Trade.....	1854	1854	750	A. H. Rice.....	H. A. Hill.
Boston Corn Exchange.....	1855	1868	362	E. H. Sampson...	E. Kemble.
Buffalo Board of Trade.....	1844	1857	350	Chas. G. Curtiss...	W. Thurstone.
Cairo Chamber of Commerce.....	1865	1865	70	G. D. Williamson..	L. Mathews.
Charleston Board of Trade.....	1866	1866	261	D. F. Fleming....	A. Foster Black.
Chicago Board of Trade.....	1848	1859	1230	S. H. McCrea.....	C. Randolph.
Cincinnati Board of Trade.....	1869	1869	419	P. P. Lane.....	H. H. Tatem.
Cincinnati Chamber of Commerce...	1839	1850	1200	C. W. Rowland...	D. L. Garrison.
Cleveland Board of Trade.....	1847	1866	212	A. J. Begges.....	J. C. Sage.
Denver Board of Trade.....	1867	..	80	W. M. Clayton...	R. W. Woodbury.
Detroit Board of Trade.....	1856	1863	244	R. W. Gillett....	R. Haddock.
Dubuque Board of Trade.....	1868	1868	110	M. Kingman....	T. L. Bowman.
Galveston Chamber of Commerce...	1865	1866	150	T. H. McMahan...	S. A. Edgerley.
Louisville Board of Trade.....	1862	1862	500	J. J. Porter.....	A. Wayland.
Memphis Chamber of Commerce...	1860	1860	300	F. A. Nelson.....	W. L. Trask.
Milwaukee Chamber of Commerce...	1858	1868	336	A. Smith.....	W. J. Langson.
Nashville Board of Trade.....	....	....	166	F. H. French.....	W. D. Gentry.
Newark Board of Trade.....	1868	1869	150	David Campbell...	R. S. Sworde.
New Orleans Chamber of Commerce.	1834	1834	150	G. A. Fosdick...	A. C. Waugh.
New York Chamber of Commerce....	1768	1770	760	W. E. Dodge.....	G. Wilson.
New York Produce Exchange.....	1843	1862	1726	J. H. Reed.....	Edward C. Rice.
Norfolk Merchants and Mech's Ex'ge.	1858	1868	100	W. Lamb.....	M. Glennan.
Oswego Board of Trade.....	1849	1868	125	R. F. Sage.....	H. C. Stillman.
Petersburg Commercial Exchange...	..	1869	55	J. E. Venable.....	C. Jones.
Philadelphia Board of Trade.....	1833	1823	1013	J. Welsh.....	A. J. Perkins.
Philadelphia Commercial Exchange.	1853	1863	695	Nathan Brooke...	G. R. Tisdale.
Pittsburgh Board of Trade.....	1854	1854	300	G. H. Thurston...	T. Wickersham.
Portland Board of Trade.....	1853	1854	318	W. S. Dana.....	M. N. Rich.
Providence Board of Trade.....	1868	1868	373	H. Lippitt.....	F. P. Little.
Richmond Chamber of Commerce...	1867	1868	302	D. I. Burr.....	P. G. Coghlan.
Salem Board of Trade.....	....	....	130	Willard P. Phillips.	Henry A. Brown.
St. Louis Board of Trade.....	1866	1866	431	L. R. Shryock....	H. Senter.
St. Louis Union Merchants Exchange.	1862	1863	1200	Gerard B. Allen..	G. H. Morgan.
St. Paul Chamber of Commerce.....	1867	1867	200	J. C. Burbank...	O. E. Dodge.
San Francisco Chamber of Commerce.	1850	1868	239	R. B. Swain.....	Wash. Bartlett.
Troy Board of Trade.....	1863	1868	192	Thomas Coleman.	J. F. Calder.
Wilmington, (Del.), Board of Trade..	1867	1869	106	George W. Bush..	G. W. Stone.

THIRD ANNUAL MEETING
OF THE
NATIONAL BOARD OF TRADE.

FIRST DAY.

WEDNESDAY, DECEMBER 7, 1870.

THE Third Annual Meeting of the National Board of Trade was held in the city of Buffalo, on Wednesday, December 7th, 1870, and following days. The sessions were held in the Council Chamber of the City Hall, and were attended, as the roll of delegates will show, by representatives of nearly all the organizations connected with the Board.

The meeting was called to order at eleven o'clock, on Wednesday, the seventh of December, by Mr. FREDERICK FRALEY, of Philadelphia, the President of the Board, who addressed the delegates as follows:

Gentlemen of the National Board of Trade: — We are taught that "It is a good thing to give thanks unto the Lord, and to praise the name of the Most High." We have been blessed in being brought together again in health, amid national prosperity and in the possession of great individual blessings and comforts, and for all the mercies that God has thus vouchsafed to us, it is our bounden duty to render Him the homage of grateful hearts, while we seek a continuance of those blessings, and ask that in His good providence, He will preside over our deliberations, and permit us, when we close them, to return to our homes in health and peace. To this end, the Rt. Rev. Bishop COXE, of this Diocese, will invoke the blessing of Almighty God upon our labors.

Appropriate prayers were offered by the Rt. Rev. ARTHUR CLEVELAND COXE, Bishop of Western New York, the delegates uniting at the close in the repetition of the Lord's Prayer.

Mr. CHARLES G. CURTISS, President of the Buffalo Board of Trade, then addressed the Board as follows :

Mr. President and Gentlemen of the National Board of Trade :—
It is my pleasing duty, on behalf of the members of the Buffalo Board of Trade and the citizens of this place, to extend to you a cordial welcome.

We regret that the time selected for your assemblage here was not at a more propitious season of the year, when the bloom and beauty of summer were upon us, and when we could have made your stay with us more agreeable through the many attractions which surround our city.

But, gentlemen, while the season and the weather will prevent us from extending to you such courtesies and pleasures as it would have gratified us to do, and while it is cold and cheerless without, let me assure you that it is warm and genial within. Let me assure you that you are surrounded with warm hearts and open hands, who will be ready to attend upon you and serve you while it is your pleasure to remain with us.

Gentlemen, this organization, known as the National Board of Trade, has had as yet but a brief existence, and its importance at this time is scarcely realized ; but we have already seen enough of it to impress upon every intelligent mind, the fact that it is the medium through which grand results can be attained for the commercial affairs of our country.

That your deliberations here may be conducted on a liberal scale and with the utmost harmony, and without any selfish rivalries ; that they may be productive of lasting good to the commercial and industrial affairs of our whole people ; that you may, when your work is done and the time has come for you to take your departure, return in safety to your homes ; and, finally, that we may so conduct ourselves towards you while you remain with us, that you may carry with you a pleasant recollection of Buffalo and its people, is the sincere wish of every member of the Buffalo Board of Trade.

THE PRESIDENT : The first business in order will be the calling of the roll of delegates.

The Secretary, Mr. HAMILTON A. HILL, of Boston, read the roll of delegates, which, when completed, was as follows :

Board of Trade, Baltimore.

Robert R. Kirkland, Samuel P. Thompson,
L. W. Gunther.

Corn and Flour Exchange, Baltimore.

William S. Young, John B. Williams,
Francis White.

Board of Trade, Boston.

Joseph S. Ropes, Ezra Farnsworth,*
John Cummings, Charles W. Scudder.*

Corn Exchange, Boston.

Avery Plumer, Q. A. Vinal,
E. T. Russell, Jr.

Board of Trade, Buffalo.

Geo. S. Hazard, P. S. Marsh,
Charles G. Curtiss.

Board of Trade, Charleston.

Wm. L. Trenholm,* Richard Lathers,
J. Chadwick.*

Board of Trade, Chicago.

P. W. Dater, J. C. Guthrie,
V. A. Turpin, Redmond Prindiville,
Charles Randolph.

Board of Trade, Cincinnati.

A. T. Goshorn, Joseph C. Butler,
Augustus Wessel.

* Not in attendance.

NATIONAL BOARD OF TRADE.

Chamber of Commerce, Cincinnati.

S. Lester Taylor, John A. Gano,
Theodore Cook, Wm. Henry Davis,
Benj. F. Brannan.

Board of Trade, Cleveland.

George Gilbert, Thomas A. Walton.

Board of Trade, Detroit. .

G. F. Bagley, Richard Hawley.

Board of Trade, Dubuque.

Lewis A. Thomas,* M. Kingman.*

Board of Trade, Louisville.

Ferguson Smith, H. Verhoeff, Jr.

Chamber of Commerce, Milwaukie.

F. H. West, Edward D. Holton,
R. P. Ober.

Board of Trade, Nashville.

Fred. H. French.

Board of Trade, Newark.

Edward Sealy, John C. Johnson.

Chamber of Commerce, New York.

Geo. Opdyke, James S. T. Stranahan,
Wm. E. Dodge, Jr.,* Simeon B. Chittenden.

Produce Exchange, New York.

Theodore I. Husted, William R. Foster,
Albert S. Roe.

Board of Trade, Philadelphia.

Frederick Fraley, Israel W. Morris,
J. Price Wetherill, Geo. N. Allen,
Joseph C. Grubb.

* Not in attendance.

Commercial Exchange, Philadelphia.

Benj. Malone, Seth I. Comly,
Geo. L. Buzby, L. G. Mytinger.

Board of Trade, Pittsburgh.

James M. Cooper, Campbell B. Herron.

Board of Trade, Portland.

John B. Brown, Harrison J. Libby,
A. K. Shurtleff.

Board of Trade, Providence.

Henry Lippitt, Orin A. Ballou,
Ezra D. Fogg.

Board of Trade, Salem.

Willard P. Phillips, James F. Almy.

Chamber of Commerce, San Francisco.

R. G. Sneath.

Board of Trade, St. Louis.

Lee R. Shryock, S. M. Dodd,
Andrew W. Mitchell.

Union Merchants' Exchange, St. Louis.

E. O. Stanard, Wm. M. McPherson,
Barton Able, B. R. Bonner,
John P. Collier.

Board of Trade, Wilmington.

J. T. Heald, Wm. H. Swift.

The SECRETARY : I have received a letter from the President of the Richmond Chamber of Commerce, expressing great regret that that body will not be represented on this occasion, and also expressing the continued interest which the Chamber feels in the deliberations of the National Board. A letter has also been received from the Merchants' and Mechanics' Exchange, of Norfolk, saying that delegates had been appointed to attend this meeting, but expressing the fear that the gentlemen selected would not be able to be present.

The PRESIDENT : A quorum of the Board is present, and the next business in order will be the reading of the report of the Executive Council.

The Secretary read the

THIRD ANNUAL REPORT.

As required by the Constitution, the Executive Council beg now to submit their Third Annual Report :

The Council held a special meeting at Baltimore and Washington, in the month of March last, for the purpose of considering various questions, referred to them by the Board at its Richmond meeting, and also of promoting, as might be found practicable, the adoption by Congress of the measures recommended by the Board for its action.

Two propositions looking to the amendment of the Constitution, which appeared on our last official programme, at the instance of the New York Produce Exchange, and are printed in the Richmond proceedings, (page 330,) were referred to the Council for consideration and report. The first of these recommended that on all questions, except in the election of officers, each delegation be entitled to cast, by its Chairman, votes corresponding in number with the full number of delegates which the association represented by it, is entitled to send. The third article, as it now stands, provides that "No voting by proxy shall be allowed." In the opinion of the Council, to change the organic law of the Board, by repealing this prohibition, would have a tendency to diminish the attendance of delegates at the meetings, and to lessen materially the interest of the discussions; they therefore respectfully report that this proposition should not prevail. The second had reference to the mode of levying assessments to meet the current expenses of the Board. They are now laid on each constituent body, according to the ratio of its officially reported membership; the recommendation was that the expenses should be borne by the constituent bodies in equal proportions, according to the ratio of the number of delegates, to which each is entitled. On a careful examination of the subject, the Council saw objection to the rule as it now stands, but they found themselves unable to favor the substitution proposed for it. They could not but admit that the former discriminates somewhat unfairly against the larger bodies in the membership; but it seemed to them that the latter, if adopted, would work similar injustice to the smaller associations. They therefore agreed upon a compromise between the two, which they thought would be acceptable to all concerned, namely, to add to the first section of the seventh

article, as it now stands, the proviso that no constituent body shall be reckoned in the assessment as having more than one thousand members. The effect of this will be to distribute among the smaller bodies which now have a decided advantage in the levy, the excess over a thousand members in the larger, and in such a way as shall not make the burden appreciably heavier to them. This amendment has been placed upon the present official programme as the first subject to be acted upon, and the Council hope that it will be adopted.

Two series of resolutions relating (1) to the present condition of the Erie Canal for meeting the demands of the West for transportation, and (2) to a plan for organizing a steam navigation company to connect the port of Norfolk with the Mediterranean and the Orient, introduced at the Richmond meeting and referred to the Council, were read and considered, but present action in reference to them was judged inexpedient. A resolution instructing the Council to report at the present meeting, upon the subject of internal improvements by the General Government, the constitutional limits of legislation for such improvements, and the practicability of equalizing the aid granted to harbor and river improvements and to transcontinental railway works, was referred to a sub-committee of the Council, who are not yet prepared to report.

The Board, at its Richmond meeting, requested the constituent members to conform their annual statistical and trade reports to the statistical year beginning on the first day of September, and to send to the Secretary at the end of every four weeks a report covering that period. It also urged upon their attention the desirableness of efforts to establish a system of exchange of market reports among those of them which hold daily meetings, and to oversee the reports given in the issues of the press. These subjects were referred to a Committee consisting of Messrs. JOHN A. GANO, WILEY M. EGAN and SAMUEL D. HARRISON, in order that they might arrange the details of plans whereby the recommendations might be carried into effect. Suggestions in reference to them were solicited from the membership in Circular No. 10, bearing date December 22, 1869, but nothing very definite was received in reply. The Committee, however, and the Executive Council, have given much thought to them, and had fully hoped to be able to mature a plan, especially for the uniform compilation of statistics, in time to go into operation on the first of September last; for this purpose they called in one of the ablest statisticians in the country to help them, and they obtained from him some preliminary hints, which were made public last summer through the papers, but nothing final or complete has yet been agreed upon. A report

from them may be expected during the progress of the present meeting, and will be in order in connection with the second subject on the programme, which, at the instance of the St. Louis Union Merchants' Exchange, brings the whole subject anew before the Board.

As illustrating what it is sought to accomplish in organizing a system of daily market reports, it will be appropriate to quote from a circular issued in the month of March last by the Cincinnati Chamber of Commerce, with which these propositions originated :

"The great commercial transactions in this country and Europe are now conducted or guided wholly by telegraphic reports, hence the great importance that these reports should be under the close surveillance of the persons immediately interested, and subject to their regulation. In no other way can this be so well achieved as through live Commercial Exchanges, now essential features of business in all leading cities. Their arrangements for compilation of statistics of the movements of articles of commerce are more thorough and complete than any others, and their work constantly exposed to the searching investigation and criticism of those who are interested.

"These bodies constitute responsible parties, who can always be held accountable to those who support them.

"They are removed from the bias of favoritism, and can accomplish this work disinterestedly.

"They can effect plans for a thorough canvass of all branches of trade to better advantage than can single individuals, and establish themselves as reliable sources of commercial news in all its branches.

"They can, in addition to accuracy and completeness, add the very important feature of uniformity to commercial reports.

"In the plans proposed it is intended, of course, only to have to do with the actual statistics and facts of business, since it will be no part of such an undertaking to discuss the general principles of Commerce or of Political Economy that may be illustrated by or deduced from those facts. The talent engaged in this part of the newspaper enterprise of the country can have ample employment and exercise in that extensive field very much better than when occupied so largely as it is now in the merely mechanical routine of reporting from day to day the prices and sales of commodities."

The Council duly memorialized the State Legislatures and the National Congress on various questions, as directed by the Board ; three of the memorials appear in the Appendix to the Richmond proceedings.

It is not to be expected that important legislation, such as that asked for by this Board, will always, or perhaps often, be granted in response to the first appeal made for its enactment. The class of measures introduced here are generally of such a character that the influence of the local associations, impressed with their importance, has been proved, or is supposed to have been, not sufficient to carry them, and hence the necessity for the intervention of this body.

The changes or reforms asked for by this Board may be presumed to be usually more or less radical in their nature, and so far new, that they will be somewhat in advance of legislative opinion — sometimes, perhaps, of public opinion generally. It will, consequently, be desirable for us to pass in review again and again our action at previous meetings, and not unfrequently to reiterate with added distinctness and emphasis utterances to which the Board has already committed itself. The object of Circular No. 13, addressed to the membership, May 9th, 1870, was to call to mind the position taken by the Board at Cincinnati, and at Richmond, on certain local, State, national and international topics, and to several of these the Executive Council beg leave to ask renewed attention at this time. Some of them appear on the programme, on motion of associated members; and it may be remarked that it is a noticeable feature of this programme, confirming the view now expressed by the Council, that, with only two or three exceptions, all the subjects contained in it have already been, in one form or another, before the Board.

I. — RESTRICTIONS ON INTERNAL TRADE.

The Board, by a large majority, expressed itself, last December, against the imposition of local taxes, under State and municipal laws, on non-resident traders and their agents, and ordered a memorial on the subject to be addressed to the Legislatures of those States in which this sort of discrimination is made. Several of the constituent bodies passed resolutions confirming the action of the Board, and united in the memorial prepared by its officers. Since our meeting a bill has been introduced into the House of Representatives at Washington, by the Hon. JOHN C. CONNOR, given in full in Circular No. 13, which provides for free and unrestricted trade and commerce between the several States and Territories of the Union, and forbids the laying of a tax, duty or transit fee on articles or property exported from one State or Territory to another, any act or resolution of any State or Territorial Legislature to the contrary notwithstanding. The Philadelphia Board of Trade, which brought forward this question a year ago, proposes it again for our consideration, and it will be for the delegates to decide, in such further action as they may take, whether another appeal shall be made to the several Legislatures concerned, or whether a memorial shall be addressed to Congress in favor of Mr. CONNOR's bill. If the former, it is recommended that the appeal in the present instance be made by the constituent bodies separately, to their respective Legislatures, in confirmation of the views of this Board already laid before them.

II. — A DEPARTMENT OF COMMERCE.

At the Richmond meeting the Board was nearly unanimous in its declaration that a Department of Commerce should be established as part of the General Government, to which should be referred all questions connected with the foreign and domestic trade and transportation of the country. Congress was memorialized accordingly, and during the visit of the Executive Council at Washington they urged the views of the Board in this regard upon the President of the United States, the Secretary of the Treasury, and many members of the two houses. It is with regret that they are obliged to report that these views failed to receive due appreciation on the part of those to whom they were communicated, and it will be necessary for our business men to explain still more clearly the extent of the necessity which exists for the proper consideration of the commercial interests of the country at Washington, in order that the particular remedy proposed may be fairly estimated. The Council have been informed that the Committee on Commerce of the Senate, to whom our memorial was referred, applied to the Secretary of the Treasury for his opinion upon it, and received for answer from that officer that he did not see any necessity for such a department as was asked for. The Committee therefore allowed the subject to lie over. The Executive Council would, under any circumstances, have brought it at this time to the notice of the Board, but, as the Philadelphia Board of Trade has called it up, and it will come before the delegates in the regular order of business, they need offer no suggestions in reference to it.

III. — THE OCEAN CARRYING TRADE.

This subject, or a branch of it, is suggested by the proposition of the St. Louis Merchants' Exchange, on the ocean postal service. There is no single question concerning our national industry, which has been considered more generally at all commercial meetings and by the press during the last three or four years, than that which relates to American shipping: and very naturally and properly, because there is no other interest which has so lamentably suffered and dwindled away as has this. Our tonnage employed in the foreign trade is less by one million of tons, than it was ten years ago, when by the analogy of previous decades it should have increased by nearly a million and a half of tons during this period. Our participation in the carrying trade of the Atlantic, has been reduced almost to nothing, and on other oceans our flag is rarely seen, as compared with former years. The causes, various and complicated, which have led to this result, have been carefully considered by this Board, and the two-fold

remedy, for the relief of the ship owner and of the ship builder respectively, free registration and cheaper materials for construction, was pointed out at our Cincinnati meeting. The subject has been before Congress, and many measures have been proposed there, the most elaborate being that reported by a Select Committee of which the Hon. JOHN LYNCH was Chairman, which contemplated a system of bounties to offset the great cost of building ships in the United States, as compared with other countries. This proposition has not, upon the whole, been favorably regarded by the business men of the country, and it failed to receive general support at Washington. The conviction seems now to be rapidly gaining ground both in and out of Congress, that whereas in order to successful and permanent competition on the great ocean routes with the merchants of all maritime nations, our citizens must be able to obtain their ships as cheaply and to sail them as economically as others, they should, for prudential reasons, no less than as an act of justice, be permitted to build or buy vessels in any part of the world to which they may be led by what they judge to be their best interest, and be protected in so doing. This is the broad view, in the interest of the national commerce; and as the business of owning and employing ships under the American flag shall be restored, and the cost of production at home, by legislation and other causes, gradually diminished, we may be sure that the prosperity of the ship building class among us will revive also.

IV.—DIRECT IMPORTATION TO INTERIOR CITIES.

There is no question in which the Board has manifested more interest than in this, and as the result of our repeated action, and of influence brought to bear separately by some of the constituent bodies on the seaboard and in the interior, Congress passed, and on the fourteenth of July, 1870, the President approved, "An act to reduce internal taxes, and for other purposes," which contains nine sections permitting the transportation of merchandise from the ports of importation to certain other ports in the United States, without appraisement or liquidation of duties at the port of first arrival. On the first of October, instructions were issued by the Secretary of the Treasury for regulating and controlling the new method of importation; but owing, as is said, to the stringency of the law itself, and of the rules laid down by the Department for carrying it into effect, the interior cities have not been, and do not expect to be, able to derive any important advantage from it. There is no reference to this matter on our programme, but as efforts will be made at Washington during the present session to modify the enactment of last July, it seems

desirable that the Board should pass judgment upon the act and the instructions, as they now stand, and decide as to whether any and what changes should be made in them, to render them available to the public use, while duly guarding the public revenue against loss by fraud. The Council recommend therefore the appointment, early in the session, of a small Committee whose duty it shall be to examine the official documents, and to report upon them with such recommendations as they may think proper to make, at any time before the adjournment of the Board.

V. — STORM SIGNALS.

Almost simultaneously with the action of the Board, Congress passed an act providing for the establishment of a system of observations of the weather at different military stations under the direction of the Signal Corps of the Army. As promptly as practicable after the act of Congress, the system was initiated, and from the hearty enthusiasm with which it was undertaken by the officers to whose charge the duties were submitted, it is reasonable to hope that it will soon be a demonstrated success — useful in its results to commerce in many ways and nearly indispensable to the most safe navigation of the lakes and our extended sea-coasts.

VI. — CIVIL SERVICE REFORM.

This is another question upon which the Board has twice voted affirmatively, but which does not appear upon the present programme. Congress has not yet responded to the urgently expressed wish of the mercantile and other classes in the nation, that the civil service be entirely severed from party politics, and all appointments under the government be made in view of personal fitness, and not be dispensed as patronage; and it will be necessary for us to give further utterance to this desire. The manifold evils which this great measure is designed to remove, confront us at the first step in the various endeavors, which, as a Board, we make to secure wise legislation and efficient administration in everything relating to the productive powers and commercial capabilities of the nation.

Civil service reform will lead to reform in our congressional representation, preparing the way for the introduction of a much larger number of our most experienced and independent business men into the halls of national legislation than are at present found there, while it will tend to increase the usefulness of every department of the government service. To quote from a recent letter of a distinguished public man who retired from high office not long since, "The gist of

the civil service reform, which I so ardently desire, is contained in the idea of applying sound business principles to the administration of public affairs." It is thus that the members of the Board have understood the question, and hence the degree of interest which they have felt in it. With this made sure, other needed reforms are likely to follow in due time, but without this, success in other particulars will be, comparatively speaking, only barren victories. The Council would therefore suggest the passage of some further resolution by the Board indicating its growing estimate of the necessity for this reform, and its continued anxiety for its speedy adoption.

Reference has just been made to representative reform, and although this is a question on which no action can be directly taken by the Board, the Executive Council would venture to suggest to the delegates that they consult informally among themselves while together, and with their associates on their return home, as to the course to be adopted to secure the nomination for and election to Congress in the leading commercial constituencies, of truly representative business men — men of ability, experience, integrity and independence, who care less for party than for the country, less for elevation to and continuance in office than for the right.

The official programme now before the Board is perhaps the most interesting and important of any which it has been our duty to consider; besides the topics to which reference has now been made, our attention is to be given to questions relating to the transportation, inspection and measurement of grain, to tare on cotton, to post-office, revenue and currency reform, to the disposition of the public lands, and to the increase of the facilities for our internal traffic by river and by rail. For deliberation on all these subjects, the gentlemen now assembled have come together as delegates from the leading commercial bodies of the country to the National Board of Trade; that they will deliberate carefully and decide wisely, the Executive Council cannot doubt; and after our session shall have terminated, it is earnestly hoped that they will consider themselves in turn as delegates from this Board to their respective constituencies, charged with the duty of enlisting the sympathies and the efforts of their associates in behalf of such principles and propositions, sound in themselves and national in their scope, as the Board shall stand committed to promote. In this way, not only during the brief week which once a year we are permitted to spend together, but continually, we shall be united in the use of harmonized endeavors, and in the exercise of a concurrent influence to advance the broadest and best prosperity of our common country. Respectfully submitted.

Buffalo, December 7th, 1870.

Mr. HILL read his report as Treasurer, showing the receipts and expenses of the Board for the year ending November 30, 1870. The receipts, including the balance on hand at the beginning of the year (\$657.99) were \$7,475.99; the expenses, \$7,143.39; leaving a balance in the Treasury of \$332.60. The account was certified as correct by the Auditing Committee of the Executive Council.

The Secretary announced, that by the courtesy of the Western Union Telegraph Company, the private and social despatches of the members would be sent free of expense.

The PRESIDENT: One of the duties devolved on the Executive Council was the preparation of By-Laws for the government of this Board. A series of By-Laws has been prepared and adopted by that body and will be read.

The Secretary read the following

REPORT ON BY-LAWS.

The Executive Council having been instructed to report on the subject of By-Laws, from time to time, as the circumstances of the Board might seem to make it desirable, beg to recommend that By-Laws Nos. 1, 2 and 3, now in force, be numbered respectively Nos. 5, 7 and 9, and that the following be adopted and enumerated as Nos. 1, 2, 3, 4, 6, 8, 10 and 11.

I. The following shall be the order of business at the annual meetings of the Board:

- 1st. The call of the roll.
- 2nd. The reading of the reports of the Executive Council and the Treasurer.
- 3rd. The election of officers.
- 4th. The reception of papers from associations seeking admission to membership, to be referred to a Committee on Credentials, to consist of five delegates, which shall have leave to sit during the sessions of the Board.
- 5th. The reception of letters from associations seeking to withdraw from the Board, to be referred to the same Committee.

6th. The consideration of any subjects proposed in the annual report of the Executive Council, or in the hands of Committees appointed at a previous meeting.

7th. The consideration of the subjects on the official programme, in the order in which they are there placed, unless otherwise recommended by the Executive Council.

II. At the annual election, before balloting for President, it shall be competent for delegates to make nominations for that office; and before balloting for Vice Presidents, each delegation present shall be called upon to make a nomination, and the fourteen persons whose names shall stand highest upon the ballot, provided that they have all received a majority of the votes cast, shall be declared to have been elected.

III. Any resolutions on new business not upon the official programme, or recommended by the Executive Council, excepting those relating to points of order or matters of courtesy, shall be referred to the Executive Council before final action be taken upon them.

IV. At the meetings of the Board, no delegate shall speak more than ten minutes on one question, without the leave of the Board, nor more than twenty minutes without unanimous consent.

VI. The rules of the House of Representatives of the United States shall govern the deliberations of the Board, so far as they may be applicable and in harmony with the Constitution and By-Laws.

VIII. The annual assessment shall be based upon the officially reported membership of the constituent bodies at the date of the annual meeting at which it is made.

X. The term of service of not less than one year for which delegates are elected, shall commence with the date of the annual meeting of this Board.

XI. These By-Laws may be amended at an annual meeting, on a vote of two-thirds of the delegates present.

The PRESIDENT : If there is no objection to these By-Laws, they will be acted upon until otherwise ordered by the National Board.

The next business in order is the election of a President and of fourteen Vice-Presidents of this Board. Will Mr. HOLTON, of Milwaukee, be kind enough to take the chair while the election proceeds?

Mr. HOLTON took the chair.

Mr. TAYLOR, of Cincinnati: I move that the Board proceed to the election of President, and I nominate for that office Mr. FREDERICK FRALEY, of Philadelphia. He has served us for three years with unequalled ability, and I propose that we re-elect him again.

The motion was seconded by several delegates.

Mr. KIRKLAND, of Baltimore: I move that nominations be now closed.

This motion prevailed, and the Chair appointed Messrs. TAYLOR, of Cincinnati, and KIRKLAND, of Baltimore, a Committee to collect and count the votes. The Committee having attended to their duty, reported as follows:

Whole number of votes,	56
Frederick Fraley, of Philadelphia,	55
S. Lester Taylor, of Cincinnati,	1

And Mr. FRALEY was declared elected.

The announcement was received with applause.

On motion of Mr. SHRYOCK, of St. Louis, a Committee of three was ordered to conduct the President elect to the chair, and Messrs. SHRYOCK, of St. Louis, LIBBY, of Portland, and HUSTED, of New York, were appointed.

The Committee having discharged their duty, Mr. HOLTON said:

No words of mine are needed to introduce to you the President elect; but I should do violence to my own feelings did I not take this occasion to express my own gratification, and I know that of every gentleman present who has had the honor of sitting in the former sessions of this Board over which Mr. FRALEY has presided, that we have the presence of our distinguished friend among us on this occasion. It was a very great personal joy to me last night to see him enter the room where the Executive Council was in session, as I was

not expecting to meet him in Buffalo, he having meeting at Richmond, last year, that that was he should be with us, and having also notified expected to be in foreign lands at this time. It ..

I have said, with especial pleasure that I greeted him last.

How, let me ask, should we get on, in these exceedingly interesting deliberations, if we had not, and were not still to have, the profound knowledge of mercantile affairs, of commercial law, and of legislative proceedings, of this great mercantile father to aid us? (Turning to Mr. FRALEY.) I congratulate you, Sir, and myself, that we see so many of our old friends here to-day, and I welcome you to this seat. (Loud applause.)

ADDRESS OF THE PRESIDENT.

Gentlemen, — I may truly say, that I am more embarrassed at the present moment than ever before, to know how to express my thanks for this renewed mark of your confidence and honor. I have already said so much in the presence of many of the friends whom I see around me, that I believe they all know how I feel towards them; and the eloquent words which have just dropped from the lips of my friend Mr. HOLTON, and which have been marked so distinctly by your approbation, tell me that I dwell in your hearts in some other form than that of the mere presiding officer of this body, — that I am regarded as a brother and as a friend. And in what other light would any man wish to be regarded by such an intelligent assemblage as I see before me. I have placed at your disposal, gentlemen, for the several periods during which you have chosen me to preside over your deliberations, the small amount of mercantile and other knowledge which I possess. It has been a great pleasure to me to lay that humble offering on the altar of the trade and business of this country, and it will be a great pleasure to me to continue so to do.

I have marked, with peculiar pride, the very great interest taken by this Board in everything that concerns trade and commerce, in all their departments. The influence that such a body as this will exert, as time goes on, if its members persistently devote themselves to those objects, as they have hitherto done, and the great benefits which they will thus confer upon the country, can hardly be overestimated. I have seen, as the years of our existence have succeeded one another, that our deliberations have not only had their effect, in the private circles in which we move when we are at home, and in our respective local Boards, but I have the satisfaction of knowing that what has been said in our meetings has penetrated into the councils

of the nation. Although we may not day by day distinctly see their fruits, yet the seeds have been properly planted, are being properly nurtured, and they will in time bring forth their proper harvest. It is only for the business men of this country to express themselves intelligently and firmly upon all the great questions of the day, to secure proper attention, not only to themselves, but to the great interests which they represent.

We come now to another stage in the history of this National Board of Trade. We are to reiterate the expression of our opinion upon many subjects, with the new light which further experience has brought to us; we are to start some new propositions, and we are, above all, more and more to identify ourselves with the great country in which we live, and to illustrate to all parts of it, the fact that business men can be found willing to withdraw from their particular pursuits, and devote themselves, for a brief season, to matters of public interest.

In our meeting of last year, a resolution was adopted in favor of the establishment of a department of trade and commerce. This, among other things, claimed the attention of the Executive Council during its session in Washington last spring, and while we did not obtain there such a hearty co-operation with us for the adoption of the measure as would lead to the immediate establishment of the department proposed, yet I think we discovered a growing sense of its necessity in the minds of some of the best men of the country, and I believe it is only necessary now to reiterate that expression of our opinion in order to secure such legislative action as will establish that department. I look upon it as the crowning result of the establishment of the National Board of Trade. I regard it as the agency by means of which this Board will be able to reach, in distinct and emphatic form, the councils of the nation. It should be a department of the Government, to anatomize, so to speak, every branch of the national trade and industry; to watch over them all, and to strive to develop them all by the introduction of proper measures into Congress, and, collaterally, into the legislatures of the several States. I hope that a proper part of the deliberations of this body will be given to that subject as it stands upon the programme, in order that those who are to frame the national legislation, may more clearly and exactly know what a body so influential as this National Board of Trade must necessarily be, has to say upon so important a subject.

The other matters presented in the programme are equally interesting to the people of this country. They reach profoundly to many of their interests; and in view of the experience and intelligence

which this body has accumulated since its last meeting, I look forward to the accomplishment of something even more definite than we have yet reached, when the currency, the improvement of our harbors, the restoration of our foreign commerce, and a proper revision of the tariff, shall, in turn, be considered by minds representing, it may be said, the highest interests of this country; and I feel very sure, gentlemen, without intending to pay a mere compliment to you, that if the solution of all these problems were left to you, they would be very satisfactorily settled, and to the advantage of the whole country.

I feel, gentlemen, very much embarrassed by this, to me, really unexpected reiteration of your confidence in me, for I had hoped that as you came together, you would find some one more capable than myself to preside during these sessions, and more completely identified with active business than perhaps I am now; and that in the hands of a successor so chosen, this good ship might be steered better than I can steer her. But upon my arrival in this city I was so heartily greeted by those with whom I had had the pleasure of meeting heretofore, and I was so warmly welcomed by my new friends in this body, and so strongly urged not to persist in the withdrawal announced at the Richmond meeting, that I could not but yield to these friendly solicitations. While I felt it was improper for me to make any canvass for this place, under any circumstances, yet I assure you, that what you have now done, I esteem as the highest mark of confidence I have ever yet had bestowed upon me, and I do not think that there is any position that I could or would more highly prize than that of being permitted for another term to preside over your deliberations. I shall endeavor to discharge the duties of this chair with impartiality, and shall bring to them all the knowledge and skill that I possess, in order that the work which is before you may lead to the best results.

In conclusion, I desire again to express in the most emphatic way in which it is possible to utter the words, my cordial, heartfelt thanks for this distinguished honor. (Applause.)

The next business in order will be the election of Vice-Presidents. Under the rule, nominations will now be made. Each delegation as it is called, will nominate.

By the Baltimore Board of Trade, Baltimore Corn Exchange, and Wilmington Board of Trade — ROBERT R. KIRKLAND.

By the Boston Board of Trade, and Boston Corn Exchange — AVERY PLUMER.

By the Buffalo Board of Trade — GEORGE S. HAZARD.

By the Charleston Board of Trade — W. L. TRENHOLM.

By the Chicago Board of Trade — CHARLES RANDOLPH.

By the Cincinnati Board of Trade, and Cincinnati Chamber of Commerce — JOHN A. GANO.

By the Cleveland Board of Trade — THOMAS A. WALTON.

By the Detroit Board of Trade — GEORGE F. BAGLEY.

By the Milwaukee Chamber of Commerce — EDWARD D. HOLTON.

By the Newark Board of Trade — DAVID CAMPBELL.

By the New York Chamber of Commerce, and New York Produce Exchange — GEORGE OPDYKE.

By the Portland Board of Trade — JOHN B. BROWN.

By the St. Louis Board of Trade, and St. Louis Merchants' Exchange — WILLIAM M. MCPHERSON.

By the San Francisco Chamber of Commerce — R. G. SNEATH.

The Philadelphia and Pittsburgh Boards declined to make nominations, the State of Pennsylvania having been honored by the election of one of its delegates to the Presidency of the Board.

Messrs. SHURTLEFF, of Portland, and TURPIN, of Chicago, were appointed tellers. Pending their report, the duration of the daily sessions was fixed from 9 A. M. to 3 P. M.

Invitations were read from the Buffalo Academy of Fine Arts, the Historical Society, the Society of Natural Science, and the Young Men's Association, to visit their rooms this evening, and were accepted with thanks.

In accordance with the recommendation of the Executive Council, a Committee on the law and treasury instructions, relating to direct importations to interior cities, was appointed, as follows :

J. A. GANO, Cincinnati.

L. R. SHRYOCK, St. Louis,

J. B. BROWN, Portland,

F. H. WEST, Milwaukee,

G. N. ALLEN, Philadelphia.

A Committee on Credentials was also appointed, as follows :

C. RANDOLPH, Chicago,	
A. T. GOSHORN, Cincinnati,	H. J. LIBBY, Portland,
R. LATHERS, Charleston,	T. I. HUSTED, New York.

Mr. PLUMER, of Boston : I beg leave to present the act of incorporation of the Board of Trade of Salem, Massachusetts, and the credentials of Messrs. WILLARD P. PHILLIPS and JAMES S. ALMY, as delegates, and ask their reference to the Committee on Credentials.

Agreed to.

The SECRETARY : I have received a communication from the Board of Trade of Albany, asking leave to withdraw from the National Board, and another to the same purport from the Corn and Flour Exchange of Richmond. It is proper to say at this time, that at our last meeting, permission to withdraw was granted to the Board of Trade of Pittsburgh, on payment of its dues. Since then, that Board has recalled its request, has paid all its dues, and is now represented by delegates on the floor.

The By-Laws reported by the Executive Council were read and adopted *seriatim*.

The Committee appointed to collect and count the ballots for Vice-Presidents, made the following report :

Robert R. Kirkland,	.	.	.	.	.	46
Avery Plumer,	.	.	.	.	.	47
George S. Hazard,	.	.	.	.	.	46
William L. Trenholm,	.	.	.	.	.	46
Charles Randolph,	.	.	.	.	.	46
John A. Gano,	.	.	.	.	.	45
Thos. A. Walton,	.	.	.	.	.	47
George F. Bagley,	.	.	.	.	.	46
Edward D. Holton,	.	.	.	.	.	46
George Opdyke,	.	.	.	.	.	47
David Campbell,	.	.	.	.	.	45
John B. Brown,	.	.	.	.	.	45
William M. McPherson,	.	.	.	.	.	47
R. G. Sneath,	.	.	.	.	.	42
Scattering,	.	.	.	.	.	5

The fourteen names given here received the requisite number of votes.

It appeared that Mr. DAVID CAMPBELL, of Newark, was ineligible, as he is not a delegate the present year. A new election was ordered to fill the vacancy, which resulted in the choice of Mr. JOHN C. JOHNSON, of the same city.

Mr. RANDOLPH, of Chicago : In behalf of the Committee on Credentials, I beg to report that we have examined the act of incorporation and constitution of the Salem Board of Trade, with the credentials of the gentlemen appointed to represent it. The documents appear to be in due form, and we recommend the admission of the body to membership, and of the delegates to seats.

The report of the Committee was accepted, and the Salem Board was admitted by unanimous vote.

Mr. RANDOLPH : I have further to report in regard to the letters of the Board of Trade of Albany, and the Corn and Flour Exchange of Richmond, asking permission to withdraw from the National Board; that the dues of both having been paid, their request should be granted.

The report was accepted.

Mr. HEALD, of Wilmington : I regretted to observe that the subject of civil service reform was not on the official programme ; but it has been brought before us by the report of the Executive Council. It received the attention of the Board, both at Cincinnati and at Richmond, and it deserves further consideration. Our Board of Trade in Wilmington have felt great interest in it ; formerly some objections were raised, but by a test vote previous to our leaving, we ascertained that the sentiment of our members was nearly unanimous in its favor. So far as I myself am concerned, I am very strongly and decidedly in favor of it, and the more so every day of my life ; and I feel confident that those who have watched the proceedings of Congress will agree with me. In accordance with these ideas, I have here some resolutions, prepared by my associate, which I desire to submit for the approval of the Board.

The resolutions were read, and after a brief discussion, a Committee on the subject was ordered, and constituted as follows :

J. T. HEALD, Wilmington,
E. O. STANARD, St. Louis, J. P. WETHERILL, Philadelphia,
J. CUMMINGS, Boston, V. A. TURPIN, Chicago.

Mr. SEALY, of Newark: I hold in my hand a resolution introduced by Ex-Mayor PEDDIE in the Board of Trade of Newark, and, after discussion, passed unanimously by it, which my colleague and I were instructed to bring before this Board and commend to its adoption. I will read it for information, and I hope that the requisite vote will be given for its reception:

Resolved, That the National Board of Trade, through its Executive Council, memorialize Congress to pass an act combining the telegraphic with the postal system of the United States.

The resolution was not received.

Mr. GANO, of Cincinnati, proposed that the subjects on the official programme be called over, so that any of them needing to be put into improved form for the consideration of the Board, might be referred to committees, to be reported upon and debated in due course. This led to a long discussion on the subject of reference, but the proposition was not agreed to, and it was voted to proceed at once to take up the subjects on the programme in their order.

I. AMENDMENT TO THE CONSTITUTION.

ARTICLE 7, Section 1, add the words, "Provided, that no constituent body be reckoned in the assessment as having more than one thousand members;" so that the section will read as follows:

Section 1. The expenses of the Board shall be provided for by an assessment to be made by the Executive Council on each constituent body, according to the ratio of its officially reported membership; provided that no constituent body shall be reckoned in the assessment as having more than one thousand members.

A long discussion took place upon this proposition submitted by the Executive Council, (see their report *ante*.) in the course of which the proper basis for

representation and the most equitable method of levying the assessments were considered. Finally, on motion of Mr. STANARD, of St. Louis, the subject was referred back to the Council, for their further consideration, in view of what had been said on both sides during the debate, and for their report.

II. — ANNUAL STATISTICS.

WHEREAS, The action of the National Board of Trade, requesting constituent members to conform their annual reports to the 1st of September, has not been complied with; and

WHEREAS, A majority of the associate bodies now publish their reports on the 1st of January, which time seems better adapted than any other, to the collection of statistics of trade, manufactures, and stocks; therefore,

Resolved, That the constituent members be requested to publish annual statements of the trade, commerce and manufactures of their respective cities, on the first day of January of each year; and to send to the Secretary, at the beginning of each month, (or as soon thereafter as possible,) a statement of receipts, shipments and stocks, to be by him condensed and returned to each body for public information.

Mr. GANO, of Cincinnati: I desire to lay the following resolutions, adopted by the Chamber of Commerce of Cincinnati, before the Board:

At a regular meeting of the Cincinnati Chamber of Commerce, held this day, the following preamble and resolutions were unanimously adopted:

WHEREAS, The Cincinnati Chamber of Commerce has heretofore approved the suggestions of the National Board of Trade with regard to trade statistics, trade customs and standards of measure, and is, as a body, thoroughly impressed with a sense of the necessity of the compilation of comprehensive statistics, and of establishing uniformity in trade customs and standards of measure; therefore,

Resolved, That this Chamber of Commerce will conform to any plan in reference to these subjects that the National Board of Trade may adopt, so far as it can practically be done.

Resolved, That mercantile organizations, representing, as they generally do, the various trade interests of the country, should establish

a supervision of the business of reporting the markets, especially with a view to the exchange of these reports daily by telegraph, for the information and guidance of merchants in the prosecution of their business.

Resolved, That steps should be taken to secure such legislation, State and national, as may secure greater uniformity in trade usages and customs, especially those relating to standards of measure; and that all commodities subject to solid measure should be computed and measured by weight.

I suppose that it devolves upon the Committee appointed at Richmond, to report upon the question.

A Committee was appointed at Richmond to consider the matter, and subsequently, another Committee, on the recommendation of that Committee, to have the matter in charge, and arrange the preliminary details in relation to what it was proposed to undertake. I was honored with the chairmanship of that Committee, Mr. EGAN, of Chicago, and Mr. HARRISON, of New York, being associated with me. I have prepared a report which, with your permission, I will read.* It is submitted by myself, I being the only one of the Committee present to sign it, with the recommendation that it be referred to a new Committee, with directions to report further when they have any practical suggestions to make in reference to the subject.

Mr. BUZBY, of Philadelphia: The trouble with this proposition, and the reason why it has elicited no reply, is simply this: It contemplates a work of supererogation. The necessities of the large commercial bodies of the country oblige them to acquire this information daily. They seek for it, and they get it, without any prompting from the National Board of Trade, or from anywhere else, other than that of absolute necessity, consequently, I do not believe that you can adopt any method by which you will be able to procure more full information than that which is supplied in answer to the actual wants of business men day by day. Therefore, I would excuse every Committee, and every member of the Board from any further consideration of this subject. Of course, each Board of Trade compiles its statistics from year to year, and these could be submitted to the Secretary, who from them could prepare a volume, a sort of Year-Book, which would be very interesting to us all. I think that is the shape the matter should take, and if any recommendation is necessary, I

* This report may be found in the Appendix.

would suggest that the reports of the markets and the statistics of trade be sent to the Secretary, and that out of them he compile a Year-Book for the information of the commercial community.

Mr. RANDOLPH, of Chicago : If **Mr. BUZBY** will change his proposition somewhat, so as to indicate that the Committee be discharged from the consideration of that part of the subject which relates to daily market reports, I will vote for it.

Mr. BUZBY : I will submit it in that shape.

Mr. RANDOLPH : If it is proposed that the Secretary shall have no other means of knowing what the business of the country is than the reports which come to him from the local Boards, any volume which he can issue will be of comparatively little value. I observe the reports as they come to me, and I think I get them as promptly as they could be sent to the Secretary, and I find they are three, four or five months after date ; by the time he would get them together and compile them, his compilation would be valueless to the country. If, however, we could have something like a monthly return of statistics sent to the Secretary, he could compile a work which would be of national importance.

The hour of adjournment having arrived, the Board adjourned to meet at nine o'clock on Thursday morning.

SECOND DAY.

THURSDAY, DECEMBER 8, 1870.

The Board met at nine o'clock, pursuant to adjournment.

Prayer by the Rev. Dr. HEACOCK, of Buffalo.

The journal of Wednesday was read and approved.

Mr. SHRYOCK, of St. Louis, from the Committee appointed to consider so much of the annual report of the Executive Council as related to direct importations to interior cities, submitted a report, which he prefaced by reading section 32 of the act of July 14, 1870, as follows :—

“SECTION 32. *And be it further enacted,* That merchandise transported under the provisions of this act shall be conveyed in cars, vessels, or vehicles, securely fastened with locks or seals, under the exclusive control of the officers of customs; and inspectors shall be stationed at proper points along the designated routes, or upon any car, vessel, vehicle or train, at the discretion of the said Secretary, and at the expense of the said companies respectively. And such merchandise shall not be unladen or transhipped between the ports of first arrival and final destination.”

The Committee to whom were referred so much of the report of the Council as relates to direct importation to interior cities, without appraisement at the first port of arrival, beg to report, for the adoption of the Board, the following preamble and resolutions :

REPORT:

WHEREAS, at the last session of Congress an act was passed, commonly known as the Port of Entry Bill, (approved July 14th, 1870,) and providing for the direct transmission of imported merchandise

from ports on the seaboard to certain cities of the interior without appraisement, which said act was intended to afford to the mercantile community of the interior greater facilities for importing goods, wares and merchandise, than have been by them heretofore enjoyed—that is: To afford them equal facilities with those in possession of importers residing at the seacoast; and it being believed that the provisions of said act, as found in section 32 thereof, will practically make the entire act inoperative, and defeat the object of it by making requirements of common carriers which are not likely to be met; and it being believed that a modification of this section (32) and the regulations under it, is greatly to be desired, and can be made with entire safety to the revenue, as well as in a manner to present no serious obstacle to conformity therewith on the part of established lines of rail or water communication between the seaports and inland cities; now, therefore, be it

Resolved, That this Board memorialize the Congress of the United States to amend the act of July 14, 1870, so that common carriers be relieved of the necessity of paying the expense of inspectors provided for by section 32 of said act. And be it further

Resolved, That, while we concede the eminent propriety and necessity of throwing sufficient safeguards around the collection of revenue from customs, and believe the Honorable Secretary of the Treasury has endeavored to accomplish this in the preparation of the regulations under the said act of July 14, 1870, we nevertheless respectfully suggest to him that it is not imperatively necessary or positively desirable that the “cars, vessels, or compartments of steamboats *must contain no other goods* than those shipped for immediate transportation under the provisions of said act and described in the manifest required by Article 11 of the regulations”—as is stipulated and found in Article 18, page 19, of the Secretary’s regulations, under the act aforesaid, believing that the presence (in said car, or vessel, or compartment) of free goods not in bond can in no wise endanger the revenue, so long as the car, vessel or compartment is itself in custody or under lock of proper customs officials, and the said free goods be destined for the same point, as are those *in bond*.

Resolved, That the rapidly extending commerce of the country demands the perfection of regulations, whereby the detention at any port on the seaboard, of foreign merchandise purchased and imported by the mercantile community of any point, either for appraisement, detailed examination, warehousing or other purpose, shall be prevented as unnecessary and unjust, and that some plan be arranged, whereby said merchandise can be transferred direct from the vessel of importa-

tion to the vehicle which is to carry it to its destination, and that all instructions which interfere with or operate in any respect to defeat the accomplishment of this great desideratum are unjust, unwise, and ought to be modified.

The Board having voted to proceed to the immediate consideration of the subject, Mr. SHRYOCK continued :

Mr. President :— In presenting this preamble and resolutions, I am encouraged to believe that their importance, and I may say necessity, for so large a portion of our country, will commend them to this Board with so much force, that they will pass without a dissenting voice. The rapidly developing interior trade of the country requires that our merchants in the valley of the Mississippi and at northern Lake ports be placed on a fair and equal footing with importers resident upon the Atlantic seaboard. Such was the intention of the framers of the law, and such indeed was the intention of Congress when this act was passed. But I am free to say such does not appear the wish of the Honorable Secretary of the Treasury, if we can judge by the singularly harsh and impossible terms to be complied with, set forth in his instructions. They do in fact make the law totally inoperative, and render it impossible for any common carrier to transport to points in the interior without endless vexation and loss. The law is not just what we want, and will not fully meet the demand of the interior unless amended, as suggested by the resolutions, and I trust that both Congress and the Secretary of the Treasury will see at once the errors they have made, and apply the remedy at an early day. The Secretary orders that inspectors or super-cargoes shall accompany every shipment, by rail or on boats, from the point of first delivery to the port of final destination, and that the carrier shall pay the wages, mileage and other expenses of such messengers, which would, I have no doubt, amount to more, in a majority of shipments, than the entire sum received by the railroad or steamboat company for the transporting of the goods, or at least it would be such a heavy tax on carriers, that none would undertake the transportation of merchandise in bond. I admit, Mr. President, that it is commendable in the Secretary to guard well the Treasury, and it is his duty to make such regulations as will secure to the Government its just dues on imports ; but he has no authority for issuing such instructions as will make a law of Congress a nullity. Who will doubt the honesty and fair dealing in this matter, of our great trunk lines of railroad from east to west ? They are solvent — nay more, many of them are rich corporations and can

bond to the Government for millions of dollars, if need be, that they may be held to rigid account for failure to transport in bond, so that Government will receive its dues on foreign goods at all points of destination. Does the Honorable Secretary imagine that the interior merchants are all smugglers and thieves? Does he suppose for one moment that the merchants of the West and South are less honest than the resident merchants of the seaboard? Does he suppose that an army of robbers and smugglers infests the trunk lines of railroad in the interior, and that it becomes necessary, therefore, to convoy every train to its destination? No, Sir, he knows better; and I cannot be charitable enough to construe his action in this matter as being a lack of confidence in carriers, or a supposition that trains will be robbed *en route*, and that the Government will be defrauded of its impost dues. If the unnecessary and unwise regulations made by him for transporting goods in bond to the West and South were set aside, or even decently modified, three or four of our great trunk lines of railroad would at once bond for any required amount, and then our merchants could import direct from Europe and elsewhere, and sell goods as cheaply as their competitors on the seaboard. They would then, Sir, be relieved of the annoyances and delays that occur in the custom-houses of the sea-coast while their goods are being held for examination and appraisement.

Again, Sir, I can see no reason why goods should be held in warehouse awaiting shipment, because they do not amount to enough to make a boat or car load. I can not see how goods in bond are endangered by the presence of free goods in the same car or boat when all are shipped for some point of destination under the collector's seals and locks. Is not the carrier bound for the delivery to the Collector of Customs? Most assuredly; and no loss can occur to Government, if at point of arrival proper surveys are made, and manifests and invoices are furnished to the receiver at port of final delivery.

It is needless, Mr. President, for me to pursue this subject any further. I know it is well understood by this Board, that great injustice is done to the interior merchant by the existing state of things, and I trust that the causes working that injustice will soon be removed. Redress is what we ask, and fair and honest dealing is what we demand of government officers, whether they sit under the shade of the capitol or dwell among the barbarians of the West. We know our rights and we dare maintain them.

Mr. ALLEN, of Philadelphia: It is hardly necessary to say a word further upon this subject. It has been before the National

Board of Trade, I believe, at all its sessions, and Congress finally passed the law to which reference has been made, the thirty-second section of which being the one to which the attention of the Committee was principally called. We in Philadelphia feel as much interest in having this law go into successful operation as do the gentlemen from the West. We have tried to put it into practical operation. It went into effect on the 1st of October, and some of our merchants went to the Philadelphia Custom-house in order to make the proper entries and give the proper bond. They were told, "We know nothing about this law. We have not heard from the Treasury Department that any transportation company between New York and Philadelphia has filed the required bond." This subject was brought to the attention of the Philadelphia Board of Trade, and we appointed a Committee, of which my colleague, Mr. WETHERILL, was Chairman, and of which I was a member. We had an interview with the agent of the chief transportation company between New York and Philadelphia—the Camden and Amboy railroad,—and we were informed that under the provisions of the law, the company had declined to bond its road. We then addressed a communication to the President of the company; he brought the matter to the attention of the Directors, who referred it to the General Freight Agent, and in an interview with him, he told us that the company would do everything in its power to comply with the requirements of the law. The company was called upon from Washington for a copy of its charter, in order that the department might know that there was such a company, but the road was finally bonded, and the requisitions of the law were complied with.

Now, the reason why we cannot put this law into practical operation is simply this: Section 32 provides that there shall be no transshipment of goods between the ports of first arrival and final destination. The Secretary of the Treasury contends that running upon a ferry boat is transshipment. He will allow the road to be bonded from Jersey City to West Philadelphia, where the company has no depot; but he will not allow it to bond the road between Amboy and Camden, coming in along the Delaware river, at the freight depot there, although cars are loaded in New York, and goods brought in the same car to Philadelphia, because the car is run on to a scow or a ferry boat, to be carried across the river; that, he says, is a transshipment, under the law!

The Committee went carefully over the whole matter, and agreed unanimously to that report. I know there is a large amount of goods in Philadelphia awaiting transshipment. Orders have been sent out to Liverpool by one of my colleagues, Mr. GRUBB, for goods which

he intended to send into the interior under that law, but he finds it impossible to do so. The Camden and Amboy company have entered into the bond, but yet, having entered into it, they cannot transport these goods in consequence of the construction put upon the law by the Secretary of the Treasury.

Mr. RANDOLPH, of Chicago : I do not intend to oppose the passage of these resolutions, but it strikes me that the Committee have treated the subject rather too gingerly. I do not think there is any occasion for the repeal of the thirty-second section. The whole trouble lies, I believe, with the Secretary of the Treasury. He set himself, as the country well knows, against this measure, at its inception, and failed, and now he is throwing around the law such restrictions as render it entirely inoperative. I believe the merchants of the country should come up and *demand* that the intention of Congress be carried out. That is all we need. The difficulty under the thirty-second section is one entirely of construction. I presume every gentleman in this house will admit that the Government should have all the security to its revenue that may properly be the result of that law, fairly and squarely interpreted ; but the Secretary of the Treasury has apparently given it the most extreme construction possible.

Now, Sir, possibly all we desire may be accomplished by the passage of this resolution, asking Congress to repeal the thirty-second section, but I contend that there should be some proper regulations under which there shall be no possible chance of defrauding the revenue of the country. I think the object could be better accomplished by asking Congress to require the Secretary of the Treasury to prepare suitable regulations to carry the provisions of the law into effect, or perhaps, if he will not do it, to enact such regulations themselves, in detail.

Mr. WETHERILL, of Philadelphia : I entirely agree with the remarks of the gentleman from Chicago, and I feel perfectly satisfied that the law as passed, could be carried out successfully, if the regulations were of a liberal character. It is no trouble for our merchants in Philadelphia to take goods out of a New York bonded warehouse and bring them to a Philadelphia bonded warehouse ; just before I left home, a thousand chests of tea arrived in bond. No trouble whatever was there, although the Government held just as much at risk in that one thousand chests of tea as they would in the five cases of dry goods which they refused, the same week, to bring in the same train ; so that really all we want, as it strikes me, is just as liberal instructions to the custom-house officers in the one instance as in the other. I cannot understand, for the life of me, why the Secretary of the Treasury should thus endeavor to restrict a bill, so useful in

its character. He has said to me, in a letter which I now have, that he cannot bond the Camden and Amboy road, because boats will be used from the city of New York to the town of Amboy; but he can bond the road by Jersey City, although ferry boats are used from New York to Jersey City. He writes, thus, under date of November 21, 1870:

"Sir, — I have received your letter of the 18th inst., enclosing the application of WALTER FREEMAN, agent of the Camden and Amboy Railroad and Transportation Company to enter into bond for the transportation of merchandise over certain routes from New York to Philadelphia, under the act of July 14, 1870, and regulations of October, 1870.

"In reply, I have to inform you that the route *via* South Amboy requiring transshipment thereat, does not conform to the law and regulations, hence cannot be bonded thereunder. The route from New York *via* Jersey City and Philadelphia and Trenton roads and West Philadelphia, and the other by same route to Trenton, thence by Camden and Amboy, appears to be acceptable to the department, provided the authority by which the Camden and Amboy Railroad and Transportation Company operates such roads be shown; but if the several roads are operated in conjunction by the companies owning them, they must all become a party to the bond. The Camden and Amboy will please make the necessary explanations, awaiting which further action is suspended."

Therefore, if they desire to be bonded, they must not only give bonds for their own road, but for the Trenton Company, the Raritan Canal Company, and the New Jersey Transportation Company, although the Camden and Amboy Company work the entire route under a lease. Clearly showing that the Secretary of the Treasury does not desire this law to go into effect.

Another thing. He uses in his regulations a peculiar word, applicable, I think, only to transportation and railroad matters; that is, he says that goods must come over in box cars. The Camden and Amboy Railroad Company will have cars built, suitable for an invoice of five cases, where such accommodations are needed. But the Secretary of the Treasury, fully aware of that fact, and knowing, also, that if I desire to import through New York a single case of goods, I must put it into a box car, and the freight on it will be only a dollar and a half, while the expense of bringing a box car from New York to Philadelphia would run up to ten or fifteen dollars,—knowing this very well, I say, he will not allow me to put it into a little truck, that can be slid into the eight-wheeled car, and be brought in that way. That does not seem to suit him, and therefore I am not permitted to do it. I ask this Board if anything can be clearer than that the Secretary is not disposed to allow this law to go into practical operation? Every one who knows anything about transportation on the

road referred to, must be aware of the fact that a very large proportion of the goods are brought in little trucks, which are slid into the cars.

The Camden and Amboy Company are ready to put inspectors upon the road, to pay them a fair remuneration, to act fairly and honestly, to bond their road, and to meet any call which is at all reasonable on the subject. Therefore, I say, if the officials at Washington desire that this legislation, which we have been seeking to obtain for two years, to be faithfully carried into effect, they will modify these regulations. I believe that certain lobbyists at Washington, not interested directly in importations, have attempted to defeat this legislation, so that they may indirectly receive some benefit.

The people of this land, represented here by the merchants of the country, are interested in this measure, and I hope that we shall not pass any resolution asking for an amendment of the law, but that we shall say to those at Washington who seek to defeat the action of Congress, that this thing must stop, that we desire this law fairly carried out, and that we will live up to it faithfully. Now, as most of us believe, that the officials are attempting to make it null and void, we should show them that they cannot, by their regulations, defeat the wishes of the people.

Mr. McPHERSON, of St. Louis: I differ a little from some of my friends who have discussed this question, in regard to the construction of section 32. I think it does require amendment. I think it does impose restrictions upon the internal commerce of the country which are unjust to the interior. The regulations require that a bond shall be given by these transportation companies, whether railroads or steamboats. But it does not stop there: "and that such merchandise must be conveyed in cars, vessels, or vehicles, securely fastened with locks or seals, under the exclusive control of officers of the customs; and that such merchandise must not be unladen or transshipped between the ports of first arrival and final destination."

Now, this is certainly imposing unnecessary restrictions. Not content with requiring heavy bonds of these companies, the Secretary requires that a whole car shall be used, if there is only one case of goods, and then subjects the transportation company to the expense of inspectors. Manifestly, all this was devised in order to defeat the purpose of the act. The doctrine of the Treasury Department has been that this business must be done in the old way, that there must not be any change; and the law having been passed, they throw around it such restrictions, on the plea of protecting the revenue of the country, as make it impossible for the inland merchant to obtain

any benefit from it. I do not believe that a single package has reached the city of St. Louis under the provisions of this law ; perhaps there never will, at least as long as these restrictions remain.

It is necessary to impress upon the Secretary of the Treasury, that a liberal construction should be placed upon this act, in order that all parts of the country may be put upon the same basis, and that a modification of the law is needed, which shall prevent a discrimination against the great mass of the population, for the benefit, if you please, of a few of the great importing cities, neither required nor desired by the intelligent business men of those cities.

But, Sir, this is like a great many other things in the Treasury Department. An illustration occurs to me which shows how little the Department understand the wants of the trade and commerce of the country. During the war, a law was passed, as prepared by the Department, providing for a tonnage tax under a new measurement, therein specified. This law included western steamboats, as well as ocean steamers, and provided for a tonnage measurement of the holds, the space between the lower decks and the cabin, the cabin, and what is known as the "Texas," or officers' cabin above. This made a boat of a thousand tons measure from two thousand to twenty-five hundred tons. Some of my friends in St. Louis requested me, at the next session of Congress, to present the case at the Treasury Department, and, if possible, obtain their consent to a modification of the law. I called there when in Washington and was referred to the official having the matter in charge, but I was unable to convince him that this measurement was unnecessary for showing the capacity of the boat. He insisted that it was right for us to pay a tax on this additional measurement, above the hull of the boat. They have a strange way of fixing things at Washington, and if you make any complaint, they will not say, in so many words, but they will hint to you very strongly, that they know everything there, and you are not supposed to know much about anything—especially if you come from the West. They cannot see that any different rule should be applied to Western navigation from that which is applied to ocean vessels. They have heard of people smuggling into the sea-coast ports, and they take it for granted that they cannot trust any of us, and therefore they must lock up the cars, and send along a man with every train, at a heavy expense, to look after the goods; and they put this expense upon the transportation company or the owner of the merchandise, and thus, in effect, neutralize the law. They seem to think that the revenue of the country is in danger of being ruined by this law, and that the people of the West will be demoralized by the temptation to steal or smuggle the goods transported in this way.

I insist that the law should be modified, and that the Treasury Department should be made to understand, that there are other people whose wishes should be considered besides those who live upon the eastern border. The time is coming when the interior must have its rights, in respect to all these questions for developing the country and facilitating trade; and that is all that is wanted here, and all that is asked for at the West.

I hope that the suggestion of my friend from Philadelphia, (Mr. WETHERILL,) will be carried out, and that the mercantile interests of the country will impress upon Congress, (because the only way to reach the Treasury is through Congress,) that while we ask no special favors, we insist we shall have such privileges as are due to the importance of our commercial interests.

I like to be very polite to everybody, and I would be very civil to the Secretary of the Treasury, but no practical man who has read these instructions, can doubt that the intention was to nullify the purpose of the law, and defeat the wishes of the people who have demanded it; and I do not know but a little stronger language would have suited the case better.

Mr. ABLE, of St. Louis: I would offer an amendment:

Resolved, That Congress be requested to pass resolutions instructing the Secretary of the Treasury to so modify his instructions under the act of Congress of July 14, 1870, in regard to the bonding and transshipment of goods to interior ports, as will enable importers to make their importations without delay or embarrassment to the importing interests in the interior parts of the country.

I offer this additional resolution to the report, in order to call the attention of Congress to the instructions of the Secretary. If the law does not permit him to issue any other instructions, the resolution will not prevent Congress from altering the law, so that such a construction may be put upon it, as will enable the importers of the interior to receive their goods, as the law evidently contemplated that they should do.

The resolution was agreed to, and the report was then adopted unanimously.

Mr. GANO, of Cincinnati: I move that the subject be continued before the Executive Council, that they may take such action, from time to time, as may seem to them necessary.

Carried.

Mr. HEALD, of Wilmington, from the Committee on Civil Service Reform, made the following statement :

The impression of the Committee appointed yesterday upon this subject was at first favorable to memorializing Congress, but upon consultation and reflection, they have changed their opinion. They have concluded to offer instead, a few resolutions, simple and plain, in form and language, and, as they hope, to the point, their view being, that what is needed in the case, is persistency and determination; an appeal in behalf of what we believe to be right, and a presentation of the matter to Congress in concise and forcible terms, showing them that we, in common with the rest of the country, are in earnest in pressing for this reform.*

In accordance with this view, the Committee present two or three resolutions. Before they are read, let me say, that after a little investigation into this question, and after reading the very able and exhaustive report of the Hon. Mr. JENCKES, I find that this is a movement involving the service of a number of officers equal to the whole *personnel* of the army and navy officers and men included; that upon a change of administration, fifty thousand officials, upon whom depends the conduct of the public business, vacate their positions; and that the vacancies are mainly filled, not upon merit, but upon grounds of personal friendship, and for other similar reasons. There can be no doubt, therefore, that this is a subject of vital importance. No individual merchant or corporate body, we think, could possibly prosper under such a method of selecting agents as this.

With these few remarks I will submit the resolutions prepared by the Committee :

*President GRANT, in his late annual message, refers to this subject in the following language :

"Always favoring practical reforms, I respectfully call your attention to one abuse of long standing, which I would like to see remedied by this Congress. It is a reform in the civil service of the country. I would have it go beyond the mere fixing of the tenure of office of clerks and employes, who do not require 'the advice and consent of the Senate' to make their appointments complete. I would have it govern, not the tenure, but the manner of making all appointments. There is no duty which so much embarrasses the Executive and Heads of Departments as that of appointments; nor is there any such arduous and thankless labor imposed on Senators and Representatives as that of finding places for constituents. The present system does not secure the best men, and often not even fit men, for public place. The elevation and purification of the civil service of the Government will be hailed with approval by the whole people of the United States."

WHEREAS, The National Board of Trade, at its annual meetings held at Cincinnati in 1868, and at Richmond in 1869, formally approved and recommended Congressional action to secure increased efficiency in the civil service of the United States; and whereas the judgment of the Board, harmonizing with the general sentiment of the country, is becoming more strongly confirmed in favor of such reform; therefore,

Resolved, That in the opinion of this Board, the question of the condition of the civil service, and of the necessity of its reform, has become one of vital and paramount importance, and that the moral and material interests of the country are pressing for the early passage by Congress of a proper civil service law.

Resolved, That a printed copy of these resolutions, signed by the President and Secretary of the Board, be transmitted promptly to each member of the present Congress of the United States.

On motion of Mr. KIRKLAND, it was voted that the Board proceed at once to action upon the resolutions, and they were agreed to unanimously.

The Board then resumed the unfinished business of yesterday, being the consideration of the second subject on the programme — Annual Statistics.

Mr. GANO, of Cincinnati: I move that the whole subject, including the report made to the Board yesterday, be referred to the Executive Council, to report during this session.

Carried.

III. RAILROAD RECEIPTS FOR GRAIN.

The prevailing practice of railroads issuing bills of lading for grain — “at owner’s risk of short weight and measure at point of delivery” — thereby subjecting shippers to large losses, demands reform by State legislative enactments, requiring railroads within the limits of their respective States to weigh all grain taken as freight, receipt for the same, and be accountable at point of delivery for the amount specified in their bills of lading.

Mr. MARSH, of Buffalo: This proposition comes from the Buffalo Board of Trade, and it is a subject which we think very important, and so plainly right, that it will require but little time for the National Board to dispose of it. It is well known to all of us that the railroads have inserted in their bills of lading, a clause, that all grain is at “owner’s risk of short weight and measure at point of

delivery." We think that is all wrong, that when a railroad gives us a bill of lading, it should be one that is good for what it calls for, and that if a company receives a certain amount of grain at one end of the route, it should deliver the full amount at the other, as it would do in the case of any other property. In the early days of grain transportation by railroad, perhaps there was some reason why they should give such bills of lading. Their facilities were not very good, their calls for cars were not very numerous, and the grain went to points on the road where there were no facilities for unloading; and the roads, therefore, had some excuse for not guaranteeing the weight at the place of delivery. But now, where they receive grain, their facilities for loading the cars, of course, are very good; they are competitors among themselves for the transportation of this description of merchandise; the business has increased to a very large extent, and if their means are not good for unloading at the place of destination, it is their own fault. Those who have practical experience know that cars can be loaded with grain at one quarter the expense of loading flour, and that it costs no more to transport that car load of grain from Chicago to New York, than it does to transport a car load of flour; also, that when it arrives there, the cost of unloading and handling it is not one quarter as much as handling a load of flour; but still a railroad company will take a car load of flour, and guarantee the full quantity, when, if you ask them to take a car load of wheat, they will not do it, except at "owner's risk of short weight and measure."

We all know that this matter of short weight has caused a great loss to shippers. The reason is, because the railroad employes, from the highest to the lowest, understand that they are not responsible for the delivery of the full weight, and therefore they do not exercise such care as they would under other circumstances. They do not attend to the business properly; they do not care anything about it. I contend, that if they were holden for the weight, they could determine the weight of a car load of wheat when they receive it, with the same facility as that of a car load of flour; and, this being the case, of course there is no good reason why they should not receive the one on the same terms as they do the other.

I do not propose to go into this subject at any length, because, as I have said, the thing appears to me so plain and so right, that it does not require argument. I have drawn a few resolutions, and I ask the adoption of them by the Board:

WHEREAS, The prevailing practice of railroads issuing bills of lading for grain "at owner's risk of short weight and measure at

point of delivery," thereby subjecting the owners and shippers of grain to large losses, and bankers and others to insecurity in that class of collaterals, demands reform by State legislative enactments requiring railroads within the limits of their respective States to weigh all grain taken as freight, receipt for the same, and be accountable at point of delivery for the amount specified in bills of lading ;

Resolved, That the several railroads carrying grain be respectfully* requested to give to all shippers of grain a bill of lading that will be good for the quantity called for at the place of delivery, the same as they do for flour and all other property.

Resolved, That the Secretary of this Board be instructed to bring this matter before the legislatures of the different States, asking them to enact such laws as will compel the railroads in their respective States to weigh and receipt for all grain taken by them for transportation and deliver the same at point of destination, or pay for the deficiency.

Resolved, That the Secretary be further instructed to send a copy of the above preamble and resolutions to the presidents of the different railroads, and ask for their prompt attention to them.

You will notice that one of the resolutions requests the railroad companies to take the necessary steps to secure a reform in this matter, which is for their benefit as well as for our own. I desire to see them make this change themselves ; but if they will not do it on a fair representation of the case to them, I desire to see them compelled to do it, if possible. There is no more reason why they should not guarantee a car load of grain, than of any other property, seeing that a car load of grain is handled at a less expense than a car load of flour ; for I undertake to say, that if they would exercise the same care with grain as with flour, the loss to them by the shortage would be less than the coöperation on the flour. This is so clearly right, that I hope the resolutions will pass.

Mr. BUZBY, of Philadelphia : I have the same criticism to make upon the form of the resolutions submitted by the gentleman from Buffalo, as was made in reference to those on the Direct Importation Act. The expression is too tame. The railroad companies are "*respectfully requested*," to do that which they ought to be imperatively *told* to do. What would be thought of me if I undertook to give my promissory note, on condition that I would pay it at maturity,

* The word *respectfully* was afterwards stricken out by the mover ; with this single modification, the resolutions were adopted as printed above.

if convenient, or so much less than the face of it as might happen to suit the state of my purse at that time? When you consider that the law in reference to common carriers has always been stringent and exacting in its provisions; you see what power these railroad corporations must possess, when they can wilfully set its provisions aside and do as they please. They defy public opinion in this, as they do in other matters. They defy public opinion, as represented by that class of people, more particularly by whom they live, their own customers, who, having felt this to be a crying grievance, having protested against it time and again, find themselves without any resource; and we have at this moment, in this chamber, a confession of the imbecility of the public, when we say to these great corporations that we "respectfully request" a little indulgence on their part. Why, Sir, I like the expression better as reported in the programme, where, as I understand it, the aid of the law is invoked, and so it should be.

The whole trouble appears to me to consist in the manner of the organization of our railroad companies. We made, perhaps, an error in the outset; at any rate, if we continue to work them as now, we shall perpetuate the error in the future. We have concentrated power in a few hands. You charter a railroad company; they lay the rails, and they afterwards assume the whole business of transportation; a vast retinue of men is employed by them; stations are built, workshops and other buildings innumerable; and all these many hands are, after all, but the supple tools of a few individuals who control the direction and management of the railroad, and operate it against the interest of the entire public.

Now, Sir, when you have concentrated power in this way, when you have a number of railroads, all influenced by the same principles of action, combined together with powers so great that they can influence legislation to an extent which has come to be dangerous, and may, in the future, be overwhelming, I say, when you have a power of this kind in existence, should you be surprised if it returns you a car load of grain twenty bushels short, or hereafter may deliver you a car load one hundred bushels short? The expression in the programme is, that a resort to law should be had, but as the railroads are at present organized, it is a weak party fighting a strong one. The railroad corporations can resist your legal processes; they can fight you until the day of doom, or until you are completely exhausted; and besides, a man in active business is unwilling to incur the hostility of a railroad corporation with which he is connected in the daily transactions of his business, and which has the power to distress and annoy him in many ways.

If nothing can be done in regard to existing corporations, in regard to rights which may be said to be vested rights; yet it is to be remembered that a great many railroads are to be constructed in the future, and in reference to them we ought to make a new point of departure. The principle of unrestricted competition in the transportation of merchandise is the only guarantee that the public can have, that their rights shall be respected, and the obligations of common carriers be fully met. If these corporations owned only their tracks, and transportation over them was thrown open to competition, the difficulties now felt would soon disappear. Can any gentleman suppose that if, at Chicago, a dozen men should solicit the conveyance of grain, difficulties of this kind could occur to the extent they now do? Certainly there would be in that case more safety, and a more exact compliance with the law in regard to the duties of common carriers. I have, therefore, to say, that I should like to add an amendment, if in order, that hereafter in granting charters to railroad companies, the business of transporting merchandise should be withheld from them and thrown open to public competition.

Mr. WEST, of Milwaukee : I agree with the gentleman from Buffalo, that this is a matter which requires immediate reform, and if the railroad corporations themselves do not institute that reform, we should appeal to the legislatures who granted them their charters, to compel them to give us our rights. There is no reason that I can conceive of, why they should, under these circumstances, be absolved from the liabilities of common carriers. It is well known to all of us engaged in the grain trade, that the great objection to shipping grain in bulk by railroad is the uncertainty as to the amount received at the place of destination. There seems to be no good reason why there should be any material loss of grain in transit, if the railroad companies furnish proper cars, and show proper diligence and care in protecting that kind of property; but it is well known that losses do occur, and that frequently there is a loss of five, ten, fifteen, and sometimes as high as twenty bushels on a car load, and that, too, in moving grain but a short distance. There is no redress, for the railroad companies do not hold themselves responsible to deliver any specific amount. The mystery to me is, that they do not see it to be for their own interest to institute this reform. Where there are two companies running to the same point, if one would adopt the plan of giving a definite bill of lading, although it might make some allowance for necessary waste, and although it might charge ten per cent. more for freight, that company would receive all the patronage, and the other that

should continue to give bills of lading as all do at present would receive none. The great trouble in regard to the whole thing is the uncertainty as to the amount that will be delivered. It is well known that in the shipment of grain, the bills of lading are used as security upon which to predicate bills of exchange. As these bills of lading are given at present, the consignee does not know for how much it is proper for him to accept, because by the bill he has no knowledge of the amount of property he is to receive.

I am in favor of the resolution as far as it goes, but it only reaches the border of a class of wrongs which are so intimately connected that they cannot in reality be separated. In the Western States the shippers of grain seem to have no rights that railroad companies are bound to respect. The moment a man offers his grain for shipment to a railroad company, he loses all control over that grain, he can do nothing more than simply designate the point to which it is to be carried. It is taken by the railroad company and delivered at any warehouse where they see fit to carry it; it is there weighed by a party in the interest of the railroad, or in the interest of the elevator receiving it. The party shipping it has no supervision of the weighing, and the quantity is called whatever the agent receiving it chooses. If, either by accident or by design he should call the quantity five, ten, twenty, or even fifty bushels less than the car contains, there is no redress. The owner of the grain has nothing to say, he can neither see it weighed nor have any supervision over it at all.

The trouble seems to be that this whole business of transporting grain in bulk is of such recent date that as yet there has been no adequate or proper legislation to govern the matter. What we want is, that some competent authority shall appoint suitable weighing-masters at the points where large quantities of grain are received and delivered, who shall give suitable bonds and who shall receive grain and deliver it, and that the railroad companies shall be compelled to give receipts upon the weighing-master's certificates.

Having said this much in reference to the abuses of the system, I feel it due to our elevator men in Milwaukee to say that we have never experienced much injury there, under the present management, for the reason that we have men there in whose honor and honesty we have the utmost confidence. But we do not know how long we shall have such men to take charge of our elevators. In other places we hear of great abuses; we hear of men mixing different qualities of grain, and of their stealing grain to a large amount. While we have no occasion to complain of anything like this at present in our city, yet we should like to see the law amended so as to protect us in the

future in case we should happen to fall into the hands of rogues. We want every protection thrown around the business that we can possibly have.

In connection with this comes the subject of issuing grain receipts by warehouses or elevators, as we term them. That is a new feature in the commerce of the West. At various points, on the lakes and other places, immense elevators have been built where the property of the country is accumulated. The managers of these elevators have adopted the practice of issuing receipts, and those receipts now enter largely into the commerce of our section of the country. They are in some respects analogous to bank-bills, and pass like bank-bills from hand to hand. In our Western States they are a favorite collateral security with banks; in fact they are nearly all the securities we have to offer for demand loans, but the public seem to have no safeguard at all in reference to them. The men having charge of these large quantities of property may be entirely honest men, in which case, perhaps, no abuse will ensue; in other cases, as some of us know to our sorrow, these elevators fall into the hands of unscrupulous men, and they may issue receipts for large quantities of grain, which they do not have in their storehouses. These receipts are sold and passed from hand to hand, and perhaps find their way finally into a bank, and some day this man who has issued the receipts is found to be missing, his elevator is examined and no grain is found there. To guard against this I would have a public inspector or registrar, whose duty it should be to keep track of all the grain that comes into the elevators and all that goes out, so that the public may know at all times what amount of grain there is in the public storehouses. The elevators, as you all know, are different from the ordinary warehouses where sugar, coffee, molasses, and flour are stored. These are buildings which a man can go into, and if he has property there, he can see it. The elevators, where the bulk of the grain is kept, are entirely closed; the grain is turned into some dark pit and that is the last you see of it. You might wander around the building for months and be unable to tell whether there was any grain in it or not.

About a year ago some of us in Milwaukee sent seven car loads of grain to Oswego and had them put into an elevator. We supposed the grain was all there safe and sound, but when we called for its delivery we were informed that there was none there. Shortly after it was stored, as it seems, it was taken out, put into a canal boat, run down to New York, and sold for the benefit of the elevator man, who took the money and left. The whole system seems to be open to that kind of abuse, and it strikes me as being an eminently proper subject

for this Board to discuss, and as it affects a great many different States, it would seem to be proper that we should recommend some uniform legislation by all the States.

It may be claimed that if we in Milwaukie want any legislation upon the subject, we should apply to our State Legislature. But one railroad company in Milwaukie collects grain from four different States and brings it in, and I think it would be eminently proper to have uniform legislation in all the States on this subject.

Mr. THOMPSON, of Baltimore : *Mr. President*, — As the railroads, although called very strong corporations, seem to have but few friends here, I want to ask some questions in their behalf. This subject comes up in connection with the transportation of grain in bulk, as I understand it. If the grain is carried in shippers bags the difficulty does not occur which seems to exist in Buffalo, but not in Milwaukie where honest men have charge of the elevators. Possibly that provision "at owner's or shipper's risk" is inserted by the railroad companies for the reason that they have thought there might be some dishonest fellows in the elevators at the starting point. No allowance seems to be made for the natural shrinkage of the article. Then again, when grain is carried in bulk, it is carried at a cheaper rate, and if you hold the railroad companies responsible for the quantity shipped, will they not charge you an additional rate of freight, sufficient to insure it? They have made most satisfactory rates of freight, or as satisfactory as they can; the price is reduced almost to the minimum at which it can be carried, and I don't believe they make a cent on carrying it to-day; and in case of any legislation holding them responsible for the weight, I am satisfied they will charge enough more to cover the additional risk. (A voice, — "That would be right.") This question was brought before our Board and some of the railroad companies were asked about it, and that is what they proposed to do. There will be the natural shrinking of the grain and there must be some estimate made as to where the liability of the railroad company shall stop. The original weight of it could not be delivered, particularly if it were fresh grain.

Mr. PLUMER, of Boston : I am very glad that this matter has been brought to the notice of the Board. Not that I think any legislative enactment will reach the difficulty, but I think the discussion of the subject in this Board will do good.

There are two sides to this question. The fact is, in my judgment, that the railroads carry a very large amount of grain, that they never receive a cent for, and I hold that it is for the pecuniary interest of the roads to do the very thing asked for in these resolu-

tions, on the ground that they are now carrying a great deal of freight for nothing.

The grain is shipped on an understanding, perhaps, with the party who is to receive it at the East, that three hundred and seventy-five bushels to a car, are to be put on the way-bill, while the shipper puts in four hundred and twenty-five or four hundred and fifty bushels, and it is carried accordingly; the road receiving pay for only three hundred and seventy-five bushels, when in fact it has brought four hundred and fifty. There is a great deal of this done. I hold that the railroads should be responsible for the amount of grain they receive; that if I give an acceptance on a bill of lading of grain shipped from the West, for a given number of bushels, I ought to know when I receive the bill of lading, that the company will deliver me about that number of bushels; that is, that the shrinkage will not be more than say, one-half of one per cent.; and unless the grain is heated, it will not amount to more than that. That, of course, I do not expect them to pay for.

Within the last year, or year and a half, it was brought to my notice as a railroad director, connected with one of the lines reaching out to the West, that a certain party on the line of the road of which I am a director, was selling grain and meal, at a very much less rate than the grain dealers could sell it at in Boston. While he was some fifteen miles out of Boston, he was distributing meal and grain in Boston at a lower rate than the grain dealers in Boston could sell at. Some gentlemen connected with the grain trade came to me to enquire how it could be. They wanted to know if there was any arrangement with our road, by which this man received his grain at a less rate of freight than themselves. I made enquiry, and found that there was no such arrangement; that he paid the same rate of freight that the dealers in Boston paid. The freight superintendent stated to me that it was true, this man was doing a very large business. "Well," said I, "Do you know that he is doing it honestly? Are you sure that you get pay for all the property this man receives?" "Why, yes," said he; "He is one of the best men we have on the line of our road. An honest man no doubt, and we get our pay." I asked, "Have you ever weighed his grain?" Well, no," was the reply; "I do not think there is any occasion for weighing it. We don't weigh any grain." "Well," said I, "You ought to weigh all your grain; no road ought to take any property without weighing it, and knowing what it is signing for, and what it agrees to deliver." I brought the matter to the notice of the directors at the next meeting, and the result was, that that man's grain was weighed, and we

found that he had been stealing freight for a long time. Since then that road has found it for its interest to have its grain weighed, as a general thing. It does not in all cases, but I think it ought to, and as a director, I am pressing upon the management the importance of weighing every bushel of grain, as well as all other freight, so that we may know that we get our pay, and that all parties are dealt honestly by.

I have stated this fact, in order that it may be published, so that the railroad managers who have this matter directly in charge may know that it is for their interest, as well as for the interest of those who receive and sell grain, that they should deal honestly and justly.

I am one of those who believe that it is for the interest of the railroads, as well as of the public, that they should transact their business just as individuals endeavor to carry on theirs, honestly, fairly and squarely; and I believe that the competition which is rapidly growing up in the country, will regulate all this. It is largely in the power of the gentlemen who are represented in this Board, to cure this evil. Let them demand of the railroads that they give proper receipts, that is, that they give receipts for what they know they have received, and when delivery is made at New York or Boston, if the quantity falls short, that they pay for the short deliveries.

There has been a very great improvement, as every gentleman knows, in this regard, during the last half dozen years. Ten or fifteen years ago, I recollect, it was almost impossible to collect short deliveries, even of flour or pork, or anything else, except by a long process. We had to wait sometimes from four to six months before we could get our bills settled, but now everything but grain is settled for promptly. It is so with us in Boston. And why? Because the railroad companies in Boston find it is for their interest to meet these demands promptly, and they do so.

I am very glad to have this subject brought to the notice of the Board, and I am perfectly willing to vote for the resolution; but at the same time, I think it is in the power of gentlemen here to remedy their grievances by going to the presidents and directors of the railroads, and properly presenting the case to them. More than one-half of the troubles that occur in railroad management, arise from the fact that the managers of the roads, the presidents and directors, never know of them. Merchants go to some subordinate, and they are treated perhaps superciliously; but if the matter is properly brought to the attention of intelligent men, such as are at the

head of our railroads, as a general thing, I believe that a great many of these grievances would be redressed.

The PRESIDENT : Mr. BUZBY has offered, as an amendment to this resolution, an additional one, which has not met the attention of gentlemen who have spoken since he offered it.

Mr. HAZARD, of Buffalo : I cannot see the point or pertinency of that amendment. We all know that the railroads are open to competition, and how can legislation make any difference in regard to the competition they are now subject to? I do not see the object of the amendment.

Mr. BUZBY, of Philadelphia : A railroad company may, in its corporate capacity, put the whole rolling stock upon the road, or it may decline to do it, as a common turnpike corporation declines to do it, and say, "We furnish simply the road-bed, and now let those who wish to compete for the transportation on the road do so." I have known this to be done with complete success in the interior of Pennsylvania. I did not expect that the proposition would meet with much favor at present, but I think this will be the policy of the future, in chartering railroads, and I felt bound, as a citizen, and a member of this Board, to state my convictions.

Mr. MCPHERSON, of St. Louis : That really seems to me to be introducing a new subject, not pertinent to the one under consideration. The resolution offered by the gentleman from Philadelphia, does not go far enough. The Legislature would have to provide that these future roads, of which he speaks, should have double tracks, to prepare time-tables, and to prescribe how many engines each party should furnish for his own business, and many other questions would come up. I think we had better leave that alone.

It is true, as the gentleman from Boston says, that a great deal of heavy freight, such as grain and lumber, which are conveyed by the car-load, is carried by the railroads free, and the railroads lose more in this way, than the shippers lose by short weight. If they are required to weigh everything, they have a right to take into consideration the cost of that weighing. I think it would be better for them. The shippers here at Buffalo could, I suppose, by a little by-play between the commodore and the admiral, settle this matter without any controversy, and get almost any favors they want. I think we have five or six lines at St. Louis, and that a shipper would not have any trouble in dictating his own conditions for his bill of lading. I hope the amendment will not pass, for I do not think it is pertinent.

Mr. BUZBY : I will withdraw my resolution for the present.

Mr. HUSTED, of New York : I regret that I was not able to reach here early enough to hear the whole of this discussion. I have lost the most of it, and will occupy the attention of the Board but a very few moments. New York has had a bitter experience in this matter of non-guaranteeing the weights in bills of lading. We regard it as a very serious and important matter, and one which calls for a prompt remedy. The way the thing has worked with us has been this: A Chicago or Buffalo man, for instance, ships a cargo of corn or wheat or oats to the city of New York. There is weighed into the car three hundred and fifty bushels of wheat, or three hundred and seventy-five of corn, or six hundred of oats. When that car reaches the city of New York, we consider ourselves extremely fortunate if we receive within three or four bushels of the amount called for in the bill of lading. Very rare, indeed, are the cases where the weight fully holds out. The average shortage with us will reach eight or ten bushels a car. During the past week, my own firm has had an experience in the shipment of oats, where the shortage was as much as forty bushels a car, out of six hundred bushels. Now, we have a percentage of loss of from one per cent., the lowest, up to three on the average, and as high as seven per cent. in exceptional cases. This is equal to an additional cost on transportation from the West to the East, of from two to four or five cents a bushel. And in order, apparently, to make the matter as disagreeable as possible, to make the pill *very* bitter, the railroad insists on collecting freight upon these very bushels of grain, of which they are short, and which they refuse to pay for.

It has been said here that the railroads themselves are swindled, and that they carry a great deal of grain for which they do not get pay. That has no doubt been the case. I have known a large number of instances where bills of lading have been made for a smaller quantity than the grain actually in the cars ; but I submit, that if the railroads are not smart enough or sharp enough to attend to their own end of the business, and see that they collect freight on all the grain there is in a car, they ought to suffer. I imagine, however, that this under-billing of grain is only one of the methods of competition, or of offering special inducements, by the western connecting roads, in order to obtain the business. At our end of the route, the New York Central, and other roads, are sharp enough to weigh their cars, and if they find any of their freighters are under-billing, they always send in a bill for the excess of freight. We never get, now-a-days, any more grain than the bills call for, without paying freight on the excess.

Now, as to the question of the remedy for this evil. The Buffalo resolutions seem to call for legislative action. It seems to me that the remedy is a very simple one indeed. As has just been well said by the gentleman from St. Louis, the matter is in the hands of the shippers themselves. There are a number of railroads running from Chicago to New York ; two, at least, from Buffalo to New York ; the competition is great, as is evidenced by this under-billing of freight, by conventional arrangements, such as our customers frequently advise us of, by rebates from nominal rates, etc. Now, if the shippers of grain will, for a very short time, remain firm upon this point, making it a *sine qua non*, that they will not accept any bills of lading except where the weights are guaranteed, I think, in a very short time, some one railroad will come into the arrangement, and when it does, the others will necessarily follow, and very soon the thing will be an accomplished fact. Within the last fortnight, I have received a bill of lading, where the weight was absolutely guaranteed. That is the true remedy, and the shippers can fix it to suit themselves.

Mr. MARSH, of Buffalo : I will ask the Secretary to strike out the word "respectfully," from the resolution.

Mr. GUTHRIE, of Chicago : Chicago has probably suffered as much from this cause as any other city. There is no more reason why a railroad company shipping grain in Chicago, should not know how many bushels go into the car, than why a vessel owner should not know exactly the number of bushels that go into his vessel. There is no restriction upon the railroads placing a weighing-master in the elevator, so that they can tally the number of bushels as the weighing-masters tally the number of bushels that go into a vessel. A vessel gives a clear bill of lading, for so many bales, bushels or pounds, where the railroads give a bill of lading for nothing. The result of this has been to send to points in the interior, orders for large amounts of grain that would naturally have come to our shippers. Shippers in the interior, to my knowledge, have been in the practice of shipping a larger number of bushels than they have received bills of lading for. This thing has been carried to such an extent that the number of bushels shipped from the South and West to Chicago, on which no freight was paid, has been an actual profit to the shipper, over and above what could be done in the city of Chicago. In Chicago, the shipper pays the expense of switching the car to the elevator, and of putting the grain into the car, and for his own satisfaction and security, he has been compelled to have an inspector to examine the cars, to see if they are in proper condition to receive the grain. Now, it is just as easy to tally the number of

bushels that go into a car, as to tally the number of barrels of flour or packages of provisions. We may talk of having competing lines from Chicago to New York, and truly we have, but as long as they ship under the same restrictions and regulations, which lead to the same frauds, it amounts to no competition whatever, except as one may give a preference in cars, or as one road can ship for you before the other can. It seems to me, to strike at the root of this thing, you must get legislation which shall compel the roads to give us guaranteed bills of lading. I have, as a buyer and shipper for the eastern markets, endeavored to convince the president, superintendent and vice-president of one of the leading lines from Chicago to New York city, that it was for their interest to give guaranteed bills of lading, even if they had to charge more freight, rather than to continue under the present system. This was a year ago this winter, when the shipments were heavy, and I was met with the answer, that as they could get all they wanted to carry without guaranteeing anything, they would not give a guarantee. It seems to me that it is for the benefit of the through interest, not only from Chicago to Buffalo, but from Buffalo to New York, that these resolutions should be adopted, and that legislation shall be had, compelling railroad companies to give bills of lading for what they receive, and to deliver what they receive, and I hope, for the interest of Chicago, that the resolutions will be adopted.

Mr. STRANAHAN, of New York : I rise simply to express a doubt whether we should invoke legislation in such special cases as this. Special — Sir, in the article, possibly, also, special in the question of locality. Would it not be better, I submit, to call upon the business men of the country, the receivers and the shippers of grain, to demand of the railroads that grain shall be weighed in and out, and all losses accounted for or paid for? In other words, that the matter of grain shipments shall be placed upon the same footing and usage as the shipping of all other articles upon our railroads. It strikes me that it would be better not to ask for special legislation in this case, but to treat this as we would all other subjects, in a more general way.

Mr. HOLTON, of Milwaukie : Coming from a section of country where this evil is probably more seriously felt than in any other part, I feel induced to offer a word in addition to what has been already said, and especially by my esteemed friend and colleague, Mr. WEST, of Milwaukie.

I concur fully in the opinion of my friend Mr. STRANAHAN, that the subject had better go forth from our Board in the form of a re-

commendation to the various railroad companies of the country, and that we would not be wise at this moment, in demanding general legislation. I am persuaded that many of the railroad companies having their attention called in this public and business-like manner to the question, will remedy the evil, still, I am not certain that they will comply in all particulars with our wishes. We are singularly circumstanced in my own State of Wisconsin, where, as you perhaps know, is concentrated at the city of Milwaukee, if not the largest, certainly nearly as large a quantity of wheat as at any inland port or any inland place in the United States, or in the world; and yet, every bushel of that wheat is brought to us to-day by a single corporation, ramifying its lines in every direction for more than a thousand miles. Now, the gentlemen in the management of that road are superior men, and they treat fairly every business proposition. They will treat this proposition fairly. These gentlemen are modest men and they treat us modestly and fairly; but we do not know who may be in the management of this great corporate power hereafter; we do not know what is to be in the future, but it may be a little difficult for my friend Mr. WEST, from the Chamber of Commerce, to go up, as a single individual, to the management of the St. Paul railroad, and ask them to give these specific receipts, although there is no reason why they should not give them. Here is my friend Mr. MARSH, of Buffalo, with whom I have been acquainted some twenty-five years, he knows that ever since the shipping of grain to Buffalo commenced, the ship-masters and ship-owners have given specific receipts for the quantity of grain on board their vessels. Why should not the railroad companies? There is no reason in the world why they should not, at this day, especially. Twenty years ago, when the arrangements were very imperfect, there might have been some reason for it, but now, when there are warehouses and scales of every description and agents at every place, there is no reason why a farmer bringing five hundred bushels of wheat to the most distant warehouse in Wisconsin or Kansas to be sent to Mr. WEST, should not have a receipt for the specific amount. We have got to come to that. It is one of the utilities of our National Board of Trade that we are to consider such general questions. We are not here to take care of the special interest of my friend from Chicago, or the special interest of my friend Mr. WEST; but we are here to consider the general interest. One of our special objects is to utilize and bring to public attention these general questions. I hope that the clause in relation to legislative action will be stricken out of the resolutions, and that we shall confine ourselves to a resolution in respectful terms,

calling the attention of the railroad corporations of the country to this subject ; and I believe that, when their attention is called to it by this National Board of Trade, the remedy will be supplied.

Mr. HAZARD, of Buffalo : I did not intend to say a word upon this question, but I must reply to the gentleman from Milwaukee. He says this subject is one of general interest and concerns the whole country, and therefore it is really a national question ; it is a question for all the States to decide upon. But he thinks it should be left with the business men of the country to dictate their terms, and that is the sentiment of the gentleman from New York, (Mr. STRANAHAN.) I will ask gentlemen connected with the grain trade for the last fifteen or twenty years, if they have not used every means in their power to bring about this change, by application to the railroads, insisting that they should give clean bills of lading at the point where the grain is received, and deliver the same properly or pay for the shortage. What has been the result ? It has been like talking to a stone wall. In some instances, perhaps, the protest may have brought about the desired result, but the general business of transporting grain is carried on now by the railroads with this clause in their bills of lading, that they do not hold themselves responsible to deliver any particular quantity. In my own experience I have known large quantities of grain to be shipped, not only from this place, but elsewhere, where the losses have been perfectly tremendous. I know one house which last year shipped from Buffalo to New York three hundred thousand bushels of grain, and the losses on that grain were between three and four thousand bushels. I know instances in which cargoes of twenty or thirty thousand bushels of wheat have been shipped and the loss has been as much as ten bushels to the hundred. Is there any reason, when railroads make their own rates, why they should not be responsible to deliver, like other common carriers, the quantity for which they receipt ? There is no reason why they should not know the amount of grain that they carry. They can send a man to tally what they put into the cars just as well as what comes out. They are very sure to get pay for what comes out, because they are particular to know how many bushels there are. As to the deception in regard to the quantity of grain shipped, to which reference has been made, that seems to be just now, to use a common phrase, "played out." The railroad companies have looked into that matter pretty well. They know by merely looking at a car about how much grain there is in it, and if there is anything beyond what the bill of lading sets forth, they are pretty sure to collect freight upon it.

This subject has been agitated in Illinois, I was hoping that the gentleman from that State (Mr. GUTHRIE,) who spoke, would allude to it, but as he did not I will bring it up. The State of Illinois has taken the initiative on this question. They have passed in their new constitution this clause :

"ARTICLE 13th. All railroad companies and all other common carriers on railroads shall weigh or measure grain at the point where it is shipped, and receipt for the full amount, and shall be responsible for the delivery of such amount to the owner or consignee thereof at the place of destination."

That covers the whole ground, and we want every State that has railroads or any jurisdiction over railroads to pass such a law as that ; not only the State of New York but the State of Wisconsin, in which the gentleman says that the whole grain business of Milwaukee is done by one corporation, yet still he thinks the terms should be dictated by the parties who do the business. I should like to know what is the good of talking of competition to that great corporation so long as it is for their interest to carry grain as they do, and they know it is the only route that can be used. They charge enormous prices ; twenty cents a bushel for carrying grain two hundred and twenty miles. That would be about fifty cents a bushel from Buffalo to New York.

Another thing, these railroads do not care particularly about what kind of cars they send their wheat in ; I have seen oats and corn growing along the track for miles. A car runs off the track and is smashed up and the grain runs out, two, three, or four hundred bushels out of eight or ten thousand bushels ; who is to suffer the loss ? The owner, of course, for the railroads are not responsible ; they make this exception in their bills of lading.

I hope that these resolutions will pass. I am quite sure they must commend themselves to every business man, and that all will see the necessity for their adoption.

Mr. ROPES, of Boston : I wish to say a few words in the same direction as the gentleman who has just sat down, and more specifically in reply to my friend from New York, who, I think, omits the one point which renders this an entirely suitable subject for legislation and which it would have been well if people had found out years ago. I refer to the fact, that a railroad is always, to a greater or less extent, a monopoly. It is a cardinal principle that all monopolies should be under the control of the government. When you have established a railroad, you have created a channel of communication which can only be competed with by the investment of a large amount of capital, at a probable risk of loss. One railroad is generally enough to

do the work in any particular direction, and consequently in chartering it you have saddled yourselves with a virtual monopoly; and unless you retain control over that monopoly so as to enable you to prescribe such rules as are right and proper for the protection of the public, you have taken upon yourselves a burden, like the "Old Man of the Sea," which you will find it difficult to throw off. I know of a railroad between two great cities, by which the unfortunate citizens of this country have been over ridden and plundered, and suffered every species of exaction and injustice. You all know to what I refer, and as I wish to be strictly parliamentary I shall mention no names, but it is an illustration of what we are all liable to suffer through these railroad corporations.

I say the right to create a corporation carries with it the power to control it, and a railroad company being a monopoly, it is right that that monopoly should be controlled by legislation, and it is right that this Board should petition the several legislatures to pass proper laws for that purpose.

If I wish to send a ship load of grain to Europe, and one captain refuses to give me a proper receipt, there are an hundred other ships which are ready to take it on proper and equitable terms, but if I want to send grain by railroad I must, as a general thing, apply to one particular railroad; or, if by chance there is another line within fifty or one hundred miles the two roads have only to join hands, and I am entirely at their mercy. So it happens that at the present day the merchants of the United States are at the mercy of two or three unscrupulous men who manage the railroad lines which intersect the country. I hope, therefore, that these resolutions will pass without any portion being stricken out.

Mr. MARSH, of Buffalo: I hope that the clause relating to legislative enactments will not be stricken out. While moral suasion is very good in its place, I don't think that it amounts to much with railroads, and even if it did, I think in trying moral suasion, if we have a legal enactment behind us, we shall be stronger than we are now.

Mr. WETHERILL, of Philadelphia: Just a word in reply to the remarks of the gentleman from Boston, (Mr. ROPES.) I heartily agree with him and I agree with every gentleman who has spoken in favor of these resolutions, still, at the same time I do not think these complaints ought to apply solely to grain. I should like very much if the proposition as presented by the Buffalo Board of Trade could be amended so as to read somewhat as follows: "The prevailing practice of railways issuing bills of lading at owner's risk

of short weight and measure at point of delivery, thereby subjecting shippers to large losses, demands reform," etc. This would give the merchants of the country some of the benefit of the resolutions, for I would say to the gentlemen of this Board, that although Chicago and Milwaukee lose a great deal in the shipment of grain, we merchants lose a great deal by the careless handling of our goods, and we cannot obtain such bills of lading as we should like. I send a barrel of alcohol in good order, in tip-top condition, and I receive a bill of lading, "not accountable for leakage," I would say to the gentlemen from Milwaukee that he may tally the number of barrels of whiskey but if he does not gauge them it will be short. Let us therefore make this thing general. If the railroad companies are monopolies, as I believe a great many of them are, if they require curbing in reference to their freight regulations, they can only be controlled by legislative action. Don't let us limit these resolutions to grain, but let them cover every description of freight.

If the gentleman from Buffalo, (Mr. MARSH,) will for a moment close his eyes to his own special interest, and make our action not sectional but of a national character, we will bring these railroad monopolies to an account for their doings, in a general way, not in a special way.

Mr. RANDOLPH, of Chicago: I did not intend to say any thing upon this subject. I presumed the proposition would commend itself so fully to the members of the Board, that no discussion would be needed. The proposition of the gentleman from Milwaukee is to strike out the clause relating to legislative enactments. My friend from Philadelphia suggests, while he does not offer any amendment, that the resolution should be made very much broader than it is. The experience the country has had in moral suasion with the men in control of railroads, teaches us that talking to them on this question is very much like pouring water on a duck's back. It is of no use; we must have some legislation that will make more clear the rights of the people under the common law. That is all we need. It is nonsense to say that a railroad company has a right to take three hundred and fifty bushels of grain from Chicago, and to deliver to my friend here in New York, three hundred bushels, and compel the one or the other of us who may happen to be the owner of the grain, to lose fifty bushels. We have the right now, under the common law, if we can prove that it has received that property, to demand payment for it; but unfortunately, the losses are so widely diffused, many of the shipments having only from one to ten or fifteen bushels shortage that in order to collect anything, a legal process must be carried on

which the companies can fight very much longer than business men can, through one court after another, involving an expense very much greater than the whole amount of the loss at first. We have now under the common law, the right to make the companies pay for every bushel of shortage. I have no doubt of that. What we want is, to have the process so simplified that we can obtain our rights speedily, without any unnecessary expense. My friend from Buffalo, (Mr. HAZARD,) has alluded to a provision recently inserted into the Constitution of the State of Illinois, touching this subject. I have no doubt it is a very wise provision, but it will be barren of any good as it stands. It only declares the principle of the common law, that these corporations shall be obliged to do certain things, but it does not, and of course it cannot supply the machinery which shall be set in operation to carry the provision into effect. That must be done by legislation, and unless the corporations of the State of Illinois are too strong for us, we expect to introduce a measure to secure that legislation, and to carry it through this winter. I think it would be utterly useless, in fact, a perfect farce (if you will allow me to use the expression) for this Board to pass a resolution "respectfully requesting" these gentlemen to do what they ought to do, and what they have persistently refused to do for the last twenty-three years. Let us take a step that means business.

In regard to the proposition of my friend from Philadelphia, (Mr. WETHERILL,) that the resolutions ought to be made broader; I think one step at a time is enough. If I ship a hundred barrels of whiskey, and have not put it in proper packages, and it leaks out, but not from any fault of the railroad company, I do not think it ought to be held responsible for it. And so with many other articles. Take coal for instance, the rates of transportation on which, as I presume would be generally conceded by shippers, would not justify close weighing on delivery. I think it would not do to carry the principle so far at this time.

It has been suggested that this is a matter that interests only a few cities in the West. It is not so. It interests every city and town, and every farmer in the United States. Our friends, on the seaboard when they send West to buy a certain amount of grain, have to pay for it on the weight at the West, and when they receive it, it may be ten, fifteen or twenty bushels short. It is not the man who ships the grain who loses this, but the man who owns it, whether it be an Eastern man or a Western man,—and it is as likely to be the one as the other. It is not a sectional or a local question in any way. I favor the proposition as it stands now. I should have had no ob-

jection to retain the word which Mr. MARSH has had stricken out ; nothing is lost by courtesy ; but still, as it has been stricken out, let it go. I hope that the proposition of the gentleman from Milwaukie, that the words relating to legislative enactments be stricken out will be voted down.

Mr. WILLIAMS, of Baltimore : *Mr. President*,—I am sorry indeed to have to differ from my friend Mr. THOMPSON, of the Baltimore Board of Trade. I can see no reason in the world why we should not demand of the railroads the same guaranteed bills of lading we do of vessel owners and others. I agree with my old friend Mr. MARSH, of Buffalo, *in toto*, and am only sorry he did not clothe his resolutions in even stronger language.

It is not necessary for me to advocate these resolutions. That has already been most ably done, by older and wiser heads than mine. I merely wish to place myself, as a member of the Corn and Flour Exchange delegation of Baltimore, right before this Board. I consider this subject of vital importance to the interests of Baltimore, as we are about to extend railroads to the very heart of the mighty West, and to ask the people there to send us their grain ; and we intend to give them a line of steamers to carry their grain to Liverpool and elsewhere.

Mr. President, I heartily endorse the resolution.

Mr. COMLY, of Philadelphia : There seems to be but one sentiment here. We are well agreed that a railroad, when it gives a bill of lading, should give it for a specific quantity, and that this should be delivered, or the company held responsible. The only question is, how it shall be done. One gentleman says, "Moral suasion," believing that that would be all sufficient. I have great confidence in the integrity and honesty of the railroad companies, and I am very sorry to hear them called "monopolies," "irresponsible bodies," and all that kind of thing. We are largely indebted to the railroads for the progress which this country has made during the last few years. Another gentleman who has spoken very eloquently on the subject seems to be the only one who represents the railroads here, and he says it is the duty of the railroad corporations to give bills of lading for specific amounts, and if they do not deliver such specific amounts to pay the consignees. Another says moral suasion will not answer, we must apply to the law. Now, I have not the slightest doubt that the time will soon come, when it will be the custom of railroad companies to give bills of lading for specific quantities. It is honest and right, and I believe, railroad companies

as well as other business corporations desire to do right ; at least it is for their interest to do right. At the same time, I cannot see if these railroad companies want to do right, want to act honestly in this matter, why they should object to the law being appealed to, if they do not. I do not see any reason why there should not be a law to compel these corporations to do right, if they do not do right of their own accord. If a man has no objection to paying his debts, he will not object to the law stepping in and saying that he shall pay them if he does not. It seems to me there is very little difference between us. I shall therefore vote for the resolutions as introduced.

Mr. HOLTON, of Milwaukie: I desire to make a single explanation. I did not intend to move the amendment, but still, I am prepared to stand by the idea, and move a formal amendment, and will do so. But one single word. I hope the National Board of Trade will bear in mind, that to a certain extent, this is merely a recommendatory body ; we have no more respect to say the least, than I think we are entitled to in the public mind. I would, therefore, "let our moderation be known in all things." We ask that legislation shall be had upon this specific subject. We send up a demand to the Legislatures of the several States to pass laws upon a specific evil in connection with railroads. There are a great many other evils that require attention. I have a whole batch of them, and there is a fight coming on in my State on some of these questions sooner or later, either at my hands, or at the hands of my children. I mean to say, and I desire to call the attention of the Board to it, that it does not seem to me to be prudent or wise to attach to our resolutions a recommendation, that specific legislation shall be had on this one subject. I take this view of it: That here is but one specific evil, and I am fully of the opinion that if this National Board, in a prudent way, shall call the attention of the railroad companies to this practice as an evil, it will be the best way to get rid of it, but if we hold a threat over them, that we shall command legislation having no power to do so, it will only weaken our position. If we send up a respectful request, in regard to what we proclaim to be an evil, we shall, in my opinion, secure favorable action sooner than by the threat of legislation. As a business man, let me say what I am mortified to say, that in Wisconsin, we have to ask a corporation substantially, what legislation we shall have. I do not know whether the people of this State have to ask Mr. Fisk or Mr. VANDERBILT, what legislation they shall have. I have heard that in New Jersey, they have to go to a certain man when they want any

legislation. I do not want to hold out these threats ; I do not want to present the question in that form, at home or anywhere else.

I will only say, that there is a bundle of questions to be made up before the people on this subject of railroad management, and I do not want them trickling along. We shall have a big fight by-and-by unless the proper reforms are made. It is on that ground that I now make the formal motion, that that clause be omitted. I intend no disrespect to my friends' from Buffalo. It is only to utilize our work. We are agreed upon the evil, and my own judgment is, that we shall better do our work by a respectful petition, asking of these corporations immediate action, than we shall if we go to them with the threat of a legislative enactment. If we do that, they may throw themselves back on that legislative enactment, to direct them what to do. We shall, in my judgment, get our remedy sooner with the amendment than without it.

Mr. HAZARD, of Buffalo : I hope that this amendment will not pass. I hope that the resolution will not be interfered with. The gentleman from Milwaukie says he has a bundle of grievances to offer at some time or other. If the State of Wisconsin is willing to wait with her bundle of grievances, let her wait. We do not want to wait, and the other States do not want to wait. I hope the gentleman's amendment will not pass. Let us adopt the resolutions as they are in the programme.

Mr. SEALY, of Newark : I think the allusions made by the gentleman who proposed the amendment are really against his proposition. If these corporate bodies are, as he said, without souls, we should not approach subjects that have relation to them too gingerly. A respectful "gentlemen, will you do so and so?" will not be likely to have much effect.

I believe that this National Board of Trade has a strong hold upon the good opinion of the community. I believe that it should be respectful in its action with reference to corporate bodies, and I think that this amendment is ill advised.

In regard to the State of New Jersey and its legislation in reference to railroads, I have this to say, that a great deal is thrown out in that connection that is without foundation. It is believed that a certain corporation carries New Jersey in its breeches pocket, so to speak ; but we have had a new railroad built between Newark and New York, the charter for which was carried through the Legislature of New Jersey in despite of all that could be done by the company which has been supposed to sway our legislation. We have now an

independent line between Newark and New York. So much for that fact. I believe that New Jersey stands as fair as any State with reference to this matter of control by its railroad interests. I hope the amendment will not prevail. I think that these resolutions, as they have emanated from the Buffalo Board of Trade, are right and proper as they stand, and I hope they will be adopted.

Mr. PLUMER, of Boston : Will the Board bear with me one moment. I only desire to say this ; that this discussion all along has been based on the assumption that grain is not an exceptional article. Now I undertake to say that it is an exceptional article. I do not think there is a gentleman on this floor who has ever received bills of lading for the shipment of grain on board a vessel, that were not signed as railroad receipts are. They always contain substantially the same clause which railroad receipts now contain— “ more or less.” This is the precedent for such receipts as are given.

Mr. HAZARD, of Buffalo : A vessel is bound to deliver every pound she receives and every canal boat the same.

Mr. PLUMER : I am, of course, not conversant with what pertains to commerce on the lakes, I am only speaking of business on the sea-board. I have received, during the last thirty years, a great many cargoes of grain in Boston, and I never received a bill of lading that did not contain the clause “ more or less, all on board to be delivered,” or some equivalent qualification. Nevertheless, I say it is the duty of railroads to know what they receive and to know what they deliver, and I believe that this reform can be brought about in a much better way than by going to the Legislature. I am one of those who would rather

“ Bear the ills we have
Than fly to others that we know not of.”

I want just as little to do with the government and just as few restrictions on trade as possible. I would have it as free as air.

The question was put on Mr. HOLTON's amendment and it was lost.

The resolutions were then adopted.

Mr. BUZBY asked leave to present the proposition which he had withdrawn as an amendment, as an additional resolution, but the Board refused to receive it.

IV. GRAIN INSPECTION.

Mr. HAZARD, of Buffalo : The propriety of abolishing the present system of grain inspection has not been considered by our Board of Trade, neither have the delegates considered it. We therefore beg leave to have it indefinitely postponed.

Carried.

V. CENTAL SYSTEM.

The propriety of continuing efforts to establish the cental system of measurement in the handling of grain and other commodities, and to induce the estimation of quantities by weight rather than measurement of solid contents.

Mr. GANO, of Cincinnati : I move that this be referred to the Executive Council with instructions to report to this meeting of the Board.

Mr. STANARD, of St. Louis : I see no necessity for referring this subject to the Executive Council. We all know what the cental system means, and I see no reason why the matter cannot as well be taken up now, and as intelligently discussed as ever. I am afraid the Executive Council are getting too much to do. We are here for the purpose of discussing these subjects. So far as I am concerned, I expect, when the question comes up, to vote against the proposition. I hope that it will be taken up now and discussed.

Mr. GANO : My reason for desiring the subject to be referred to the Executive Council is this : The Board has several times passed upon the question in a general way approving the principle. Mere resolutions of approbation with regard to such a proposition as this amount to nothing. My object in moving its reference to the Council is, that something practical may be suggested. I have myself a form of a bill to lay before the Council, under which this system may be commended to the country at large. I want to have the privilege of submitting it to men who will consider it carefully, and make such recommendation as they see fit. It seems scarcely proper to refer the bill alone to a Committee, but if gentlemen prefer it I will make that motion. I think it would be better, though, to have it come before the Executive Council.

The PRESIDENT : My friend will permit me to make a suggestion. I think he would accomplish his object more speedily by a reference to a small special Committee who can report to-morrow morning on the subject.

Mr. GANO : I am quite willing to have it go before a Committee of three or five, although, as I have said, I would prefer that it should go before the Executive Council.

Mr. MCPHERSON, of St. Louis : I cannot see why the Cincinnati proposition cannot just as well come before the whole Board at once instead of being referred to a Committee, and then brought back here for the whole work to be done over again. I think it is just as well to meet it at once.

The motion to refer to the Executive Council was lost.

Mr. GANO : I have no resolutions to present on this subject. I did not feel competent to prepare them. As I have said, the subject has been considered by this Board and we have passed upon it in general terms several times, but we have accomplished nothing practical. I am very sorry that it did not have the reference that I asked. I can only now submit this form of a bill which will come before us in a very awkward shape, without a resolution memorializing Congress in favor of its passage. I have prepared a resolution as follows :

Resolved, That the National Board of Trade approves the form of a bill "to regulate the sale and transfer of certain commodities" submitted by the Cincinnati Chamber of Commerce, and respectfully refers it to the Congress of the United States with a request that it or something equivalent to it be enacted into a law :

An act to regulate the sale and transportation of certain commodities.

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled.

Section 1. That from and after the — day of —, A. D. 187—, all articles heretofore sold or transported by the bushel or other division of measure known as dry measure shall be sold and transported by weight, and all contracts contravening this enactment shall be null and void, provided that contracts entered into prior to the date named above, and not maturing until after said date may be executed according to their terms.

Section 2. That all use and resort to the denominations of any measure in buying, selling, or transporting, shall be discontinued from and after this — day of —, A. D. 187—, and in all cases wherein the denominations of said measure are used in the levying of imports or excise duties, the Secretary of the Treasury shall give timely instructions to collectors and assessors as to the manner of levying and assessing such imports and excises in harmony with this act.

Mr. RANDOLPH, of Chicago : This Board and the various commercial organizations of the country, have taken repeated action on this subject, and so far any effort made to introduce the new system has proved an utter failure. I do not believe that Congress can be induced to pass such a bill as Mr. GANO suggests, compelling the country to adopt any given mode of buying or selling. It is interfering with the rights of individuals to an extent that I do not believe it would be willing to sanction. If I choose to sell property owned by myself to my neighbor, at so much for sixty pounds, so much for thirty pounds, or any other quantity, I do not believe that Congress will feel at liberty to say that I shall sell it only for so much an hundred pounds. I think that the utmost we can accomplish is to induce Congress to order the adoption by government officials of the cental system, in the purchase of all commodities. That I think will lead to the adoption of the system by the whole country. I do not think we should go any further than that. That is a step in the right direction, and the country will follow. I do not believe that it is proper or right for Congress to pass any such bill as is proposed. I hope that this proposition will not be adopted, but I should be entirely in favor of this Board's memorializing Congress in favor of the adoption of the cental system in all purchases by the government.

Mr. SHRYOCK, of St. Louis : I quite agree with the gentleman who has just spoken. Experience in this matter is the best teacher. I can only speak for the city where I reside ; we endeavored to put this system into practical working, and we found that it led to endless confusion on our exchange. Not more than one man in twenty-five could be made to understand it ; and such was the confusion in which our commercial transactions were involved by the change in our manner of calculating the sales of grain and other produce, that in a very short time we had to rescind the action that was taken upon it, and fall back upon the old system. There are so many old foggy people who prefer to go on in the old way, and who do not want to learn a new arithmetic, that I am satisfied we can never make it operate to the advantage or interest of the country, and therefore, although I dislike very much to oppose any thing that my friend Mr. GANO, of Cincinnati introduces, he is so generally right, I shall on this question be compelled to vote against him.

Mr. GANO : Before the question is put, I wish to say a word or two. This old foggy way of handling the produce of the country, having the wheat weighed, and reducing it after it has been weighed, to bushels, and so with other articles of grain, is cumbersome and

unnecessarily embarrassing, and the progressive spirit among commercial men has demanded that the cental system shall be adopted. As a means to this end, we have passed favorably upon it, giving it our moral endorsement. It has even been made a standing subject for the consideration of the Executive Council, that they might take such action as was necessary to make effective the action of this Board. The next step was to secure action upon it on the part of the Government. The matter was carefully talked over, with some members of the Congressional Committee on Weights and Measures; the attention of the then Chairman, Mr. KELLEY, was called to it and he said: "If you will prepare a bill in reference to this subject, I will have it introduced." The matter was referred in our Chamber to a very intelligent gentleman who has given this subject careful attention, and he prepared this bill, as being the most simple form of an act to reach the object. You will observe that the bill proposes to have all commodities handled by the pound. This will not be a reform, so far as the handling of large quantities of grain and other commodities is concerned, but it will be a reform in the interest of every consumer in the country. A man who has two or three carts with which to go to market, and buy some commodity which is measured by dry measure, will have greater confidence in demanding that the article shall be given him by the pound; and so with all the commodities that are handled by dry measure, we shall have them handled by the pound.

The State of California has the cental system in use, and it is also in use in Great Britain. We shall be derelict in our duty, it seems to me, if we do not take some practical step in this direction. I submit this bill as the most intelligible form in which we can initiate this reform in such a way that it will eventually spread over the whole country. The first application of it will be in the management of the customs, both the internal and import customs, so that the Government will establish this system in all its affairs, and ultimately it will come into general use. I believe it to be our duty to do this thing. If this bill is not practicable let us have something that is. I should be glad if some gentleman who is more conversant with the matter than I am, would take it up; and it was with this object that I wished it to go before the Executive Council, because that body is composed of men who have given the subject some attention, and who it is hoped, have it near their hearts. I hope very much that this bill will be approved by the National Board of Trade.

Mr. STANARD, of St. Louis: I very much dislike to oppose anything that comes from my friend from Cincinnati; but as he has

said, this matter has been before the National Board of Trade for several years. In fact, I think it was brought up at the first session, and has been favorably considered at every meeting since. Now, it has positively been repudiated by those who are engaged in carrying on the grain business. We have tried it three or four times, and I do not propose to vote for any measure which has been so positively repudiated by our constituents as this has been; and I am opposed to the National Board of Trade recommending Congress to do a thing that I am satisfied the mercantile community do not want them to do. We tried the new plan at St. Louis, in accordance with the recommendation of the National Board of Trade, two or three years ago. Every man had a new arithmetic made out. We knew what sixty pounds of wheat was worth, at one dollar and twenty cents a bushel, but it took us some time to find out what an hundred pounds of wheat would be worth, at one dollar and twenty cents a bushel, counting sixty pounds to the bushel. We do not pretend to be old fogies; on the contrary we think some of us belong rather to the school of "Young America," but it was very difficult for us to get this new arithmetic into our minds. Chicago was trying the same thing; Milwaukie was trying it; and we were bound to be up with Milwaukie and Chicago, so we went into it, but after a few days, a despatch came that Milwaukie had gone back on us, that Chicago had not been successful in learning the new arithmetic, and so St. Louis was obliged to give it up, although some of us had endeavored most strenuously to keep it up, and went around with our samples in one hand, and an arithmetic in the other. The problem was, if a bushel of wheat weighing sixty pounds is worth one dollar and twenty cents, what are one hundred pounds worth. It was so puzzling that we finally had to abandon it. It will be a long time before this cental system will become so popular with merchants who are transacting much business, that we can carry it into practical effect. I am opposed to asking Congress to enact a law for which there is no popular demand. It seems to me that this Board is organized for the purpose of calling the attention of Congress, and of the State legislatures, to subjects that the mercantile community conceive to be practical — that, and nothing else. I hope that the bill will not be recommended.

Mr. OPDYKE, of New York: For one, I feel disposed to favor this proposition. My own experience has never been in that department of trade, but I can very readily see that the value of grain and similar commodities is more correctly determined by weight, than by measure. I can very readily see further, that this

reform, (if it be a reform, as I hold it to be, to get a more accurate measurement of value,) will be brought about under the cental or decimal system, which we all know is the most simple, and most easily comprehended of all systems of enumeration. To gain both ends, I hold that the intelligent men of the mercantile community must favor this proposition, and I hold further, Sir, that the obstacle which has hitherto stood in the way, is the inveteracy of habit and of custom, which has always stood in the way of valuable reforms, and always will.

Now, Sir, the Constitution of the United States has given Congress plenary power over this subject; and if it be, in the judgment of this body, a desirable reform, why not recommend it to Congress? For this reason, I shall support this proposition, if now brought to a vote, but I should prefer the proposition in the new form, in which the gentleman from Cincinnati has offered it, to send it to the Executive Council and let them consider it; and unless stronger objections are made than have been yet presented, I believe it will be best to let it take that course.

Mr. RANDOLPH, of Chicago: I offer the following resolution as a substitute for the resolution and bill presented by **Mr. GANO:**

Resolved, That the Executive Council be instructed to petition, in behalf of this Board, the Congress of the United States, that a law be passed instructing the officials of the United States to contract for and purchase all supplies hitherto purchased by dry measure by weight only, or by the pound or one hundred pounds; and that in the levy of duties on imports the pound or cental be substituted in all cases for the dry measure.

Mr. VINAL, of Boston: The gentleman from St. Louis expresses as nearly as possible my sentiments on this subject. I believe that wherever this system has been tried, it has proved a failure. It was certainly so in Boston. It led to an endless amount of confusion; and we could hardly do any business. We found, as I think you will all find, that after we had adopted this one hundred pound system, we still had to refer to the old standard, which is sixty pounds to the bushel of full, plump wheat. No. 1 oats must be thirty-two pounds to the bushel. For corn, you must have fifty-six pounds; for beans, sixty-four pounds; for buckwheat, forty-eight pounds, and so on. One hundred pounds of shrunken wheat are not going to be worth one hundred pounds of plump wheat; neither will it rank so well in the market; and you have got to use two sets of

figures, one to sell your grain by, and another to inspect it by. I think it will cause endless confusion. Nature has established the standards. When we see sixty-four pounds of plump wheat, that is what we want, we do not want one hundred pounds of rubbish in the place of a bushel or a bushel and two-thirds of nice wheat.

Mr. GANO : It devolves upon me to review the course of this discussion, because of some remarks from **Mr. STANARD**. The National Board of Trade had its birth in this question more than in any other subject which it has had under consideration. There was an effort on the part of the cities of Albany and Troy, to secure a commercial convention, and this subject was suggested as one among the most prominent that would be presented there. The proposition was submitted to our Chamber of Commerce; which approved the idea of holding a convention, and it said, in reference to this subject, that it approved it, and made some as I think, practical suggestions; and to cover, in some degree, the objection of the gentleman who last spoke, it suggested that in establishing standard qualities of grain, and other commodities, the weights provided by our State laws to govern the measurement of a bushel, gallon, etc., should be regarded as binding, but, that efforts be made to secure uniformity in these standards for the whole country.

The gentleman spoke of the natural measure of a bushel of wheat. I would like to know what it is. There is no natural measurement for any thing, as the French Government, which has given this subject more consideration than any other, has discovered. There is no absolute measurement of anything. No two crops of wheat measure alike in the quantity of wheat that should be given for a bushel. Sixty pounds are set up as the standard, whereas very few crops of wheat in the country come up to the standard of sixty pounds to the bushel. This is only relative after all.

The proposition from the Troy Board of Trade resulted in our having ultimately the call inviting the commercial bodies of the country to send delegates to Boston, to consider this very proposition among others, and at Boston was born the National Board of Trade. The proposition was approved in general terms there, and the commercial bodies, I believe, generally sent resolutions approving of it. Milwaukie is the only city that I knew of, until to-day, that had actually made a trial of the system, practically, and as I understood it at the time, it could have been carried through there and everywhere else in the country, if it had not been for the Chicago grain elevator men. Am I correct in that, **Mr. HOLTON**?

Mr. HOLTON : I cannot say that I am quite informed in that matter.

Mr. GANO : I believe I am correct in the statement that the opposition of the Chicago elevator men to this proposed reform defeated it. We were prepared to enter into the arrangement and would have done so on any given day, but we decided to postpone it a little, to begin with the movement of the new crop of grain, so that from that period forward all the commercial bodies of the country might adopt the system. I did not know before that the St. Louis people had encountered such difficulties in the matter, but there were none which to us, seemed to be insurmountable. As a matter of course, some difficulties were to be encountered, and unless the active and intelligent commercial mind of the country gives its earnest, direct, and positive influence and effort in behalf of this reform, of course it is not to be expected that it can be carried. I feel it to be my duty to everybody, — to the merchant and to the consumer, — to urge this proposition on this body, that something practical may be developed.

Now that Mr. RANDOLPH has submitted a substitute, which in some respects I approve, I would like to have it considered by a Committee, and I move its reference to a Committee of five.

Mr. RANDOLPH, of Chicago : I am not here in any sense as the defender of the elevators of Chicago, but the remark of the gentleman from Cincinnati seems to call for some reply. It is not true that the action of the elevator proprietors prevented the adoption of the cental system. Those parties had agreed upon a schedule of rates for storage by the cental. They found much difficulty in readjusting their charges on the altered basis, but they had expected and were prepared to adopt it in making their receipts. They were waiting to see if it was adopted by the trade, much doubt having been expressed as to whether the change would be permanent. There were in the hands of merchants at that time receipts for several hundred thousand bushels of grain, issued within the previous six months. These, of course, were all written for bushels, and as upon these the trade was carried on, they had all to be figured over from bushels into centals; and it was the annoyance occasioned by this that brought the system into disrepute and caused its abandonment after a trial of a few days. We tried it in good faith, as did our friends in Milwaukee and in St. Louis, but our people had not patience enough at that time to carry it through.

Mr. KIRKLAND, of Baltimore : I have had the honor of attending several meetings of this Board, and I believe on all occasions it has given its sanction to the cental system. The statement

by the gentleman from Boston, that a bushel of sixty pounds or any fixed number of pounds is the natural measure, is to me somewhat singular. The confusion that arises in consequence of attempts at different places and at different times to change customs and habits is natural, and should occasion no surprise. This confusion in the present instance, mainly arises from the fact that there has never been any uniformity in this thing. Now if we, as a National Board of Trade, looking not to to-day, not to next year even, but far ahead to the vast commercial operations of this broad country in the future, can devise some means of simplifying those transactions, it will be of immense service, and this as it seems to me, can be best accomplished by means of the cental system. What is the fact in regard to mercantile transactions? In very many States a certain number of pounds make a bushel of one article and a certain other number of pounds make a bushel of another article. The gentleman from Boston says, that a bushel of wheat is sixty pounds; a bushel of clover seed is sixty-four pounds, and so on through the whole catalogue. The price is regulated, not by the bushel but by the quality of the article, and the quality will regulate the price by the pound, just as well as by the bushel. It does seem to me, as a merchant having transactions in various commodities, that as soon as the public mind becomes accustomed to buying and selling by the pound, simplicity will be gained, and the adoption of this cental system will follow beyond peradventure. It will take time; it will produce some inconvenience; it may take a man who has been all his life selling his wheat,— sixty pounds for a bushel,— some little time to estimate what he is getting for his wheat, if he sell an hundred pounds for a bushel. In Virginia, the standard for clover seed is sixty-four pounds for a bushel; in Baltimore sixty-two pounds; at the West sixty pounds. You have four pounds difference between one State and another. Now clover seed is often sold for twenty dollars a bushel. The average is perhaps eight or nine dollars. A man in Virginia takes up a paper and sees clover seed quoted at twenty dollars a bushel. He supposes it means sixty-four pounds and buys it, and when he gets his seed he finds he has made a mistake of one dollar and twenty cents on the bushel. These inequalities, growing out of the fact that in various States different weights are made to represent a bushel of different commodities, lead to confusion. All merchandise should be bought and sold throughout the world by an uniform standard, so that any one seeing a quotation can tell exactly what it means. Within ten years, we have changed the custom in our State in regard to the selling of potatoes. They are now sold by weight instead of by the bushel. This change was

opposed at first by the traders, and it created for a time some confusion, but it now works admirably. So with this cental system; once get it started, let Congress pass a law making it applicable to the whole country, giving the people notice in advance that the thing is to be done, and that its effect will be to simplify the business transactions of the country; and when they begin fairly to use it, instead of the confusion which my friend from St. Louis has described so humorously, it will work smoothly and beautifully. Therefore, I think that we should not go back upon our action for the last four years, but agitate and agitate until we educate the people up to this principle, which promises to simplify so greatly commercial transactions between the different States.

Mr. MYTINGER, of Philadelphia: I subscribe to everthing that the gentleman has said in reference to this subject, and hope that the whole matter will be referred to a Committee of five, to give it a thorough examination.

Mr. SNEATH, of San Francisco: I favor the substitute offered by Mr. RANDOLPH, for the reason that I do not believe that there should be any compulsion on the part of our Government in regard to this matter. I will state that the cental system has been adopted by the people of California, and that it has given great satisfaction. We have no measure there above a gallon, and the idea that this change will make any serious confusion, seems to us rather singular. It is very surprising to us, that you have been so far behind the times, as to continue the use of this system of measurement by the bushel and otherwise. In relation to the purchase of wheat, for instance, we purchase by the hundred pounds. We have our samples No. 1, No. 2, No. 3, and No. 4, and these samples are sent abroad. They are sent to the Liverpool market, you have them in the Chicago market, and perhaps elsewhere. It is certainly a very simple system. Here is my sample; I will sell you one hundred pounds of wheat of that quality, at a given price. There can be no difficulty about it, to any body. I have been in California for the last twenty-one years, and I believe I have not seen a bushel measure in the State. I can see no reason why this plan should not be adopted by the people of every State. We sell to foreign nations, on the same principle, and it is certainly in that respect much better for us than the system in vogue at the East. It is difficult for us to understand how the system of estimating by the bushel, so entirely unnecessary as it is, has been continued for so long a time. You enter into two calculations, as I understand it; whereas we have only one. I can assure you that the

cental system has given the utmost satisfaction with us, and it has seemed very remarkable to us that it has not been adopted throughout the nation.

Mr. HUSTED, of New York : Like the gentleman who has just spoken, I come from a market which is in immediate contact with foreign markets, and we perhaps realize more than the merchants of the interior towns, the importance of the adoption of this method, in order that our system may harmonize with that of Great Britain, the largest wheat purchasing nation in the world.

I have been somewhat surprised at the opposition manifested to the endorsement of this system in the National Board of Trade, because I had supposed from its record, as given in its reports, that the sentiment of this Board had been uniformly in favor of its adoption. I believe the gentleman from St. Louis, who thinks that the system has been repudiated, and the gentleman from Boston, who thinks it is a failure, are both mistaken. I believe that the failure, so far, to adopt it in the grain ports of the country has been simply owing to neglect. I doubt whether any Board of Trade throughout the country, when this subject has been presented to it, has deemed it for its positive advantage to reject the system. I may be mistaken on that point, but I think the trouble has been the want of education up to the proper point, and the neglect of the subject, rather than the repudiation of it. When the matter was presented to the Produce Exchange, which I in part represent, favorable action was taken, and the question was judged an important one. The time for making the change, of course, we could not ourselves fix, but we were willing, and desirous of uniting with the other Boards throughout the country in settling on some particular time at which the system should become universal.

The only objection which seems to be urged to the cental system is, that it would give some little trouble, or create some slight confusion. So it no doubt would at the start. It has been said that there are too many old fogies in the country, to allow the adoption of these new ideas. That is a surprise to me, and especially as coming from St. Louis, which I had supposed to be one of the most alive, go ahead, Young America places in the country. This change, if it is a reform, certainly ought to be brought about; and that it is a reform I think every one will be convinced, on fair and candid consideration. I hope that the resolution, as offered by the gentleman from Cincinnati, will prevail, and that this cental system will prevail uniformly throughout the country.

Mr. HAZARD, of Buffalo : I am very glad to hear this subject agitated. I have taken great interest in it for years. Some years ago, there was a systematic effort made to establish this system, but, as the gentleman from Chicago has said, it was only tried for about a week, and because it did not succeed in that time, it was given up. That does not militate against the correctness of the principle, or prove that it cannot, if persisted in, be carried out. I am glad to know from the gentleman from Cincinnati, that in that city they have taken the initiative in this reform. It only remains for the cities on the Atlantic coast, and especially for the great city on the Atlantic to take the right position on this question. Let New York, Sir, establish the cental system, and I think the two parts of the country will come together on the subject very quickly. When people say it is so difficult to reckon by the cental system, I would ask how much more difficult would it be if we had the cental system, to go back to sixty, sixty-four or thirty-two pounds to the bushel. I hope that favorable action will be taken.

Mr. LIPPITT, of Providence : I have an interest in this subject, although not a dealer in grain. The people of the section from which I come are large consumers, and very small producers, and it is for this reason that I feel interested in it. We are not posted up in all the *minutiae* of trade. We do not know the difference between the number of pounds in a bushel of wheat, barley, beans, oats, corn, and so on, but we know when we buy an hundred pounds of anything what it means.

I was much surprised to hear the sharp and able gentleman from St. Louis say that he had to go about with a pencil in his hand, in order to figure up what an hundred pounds of wheat were worth, when a bushel weighing sixty pounds was worth one dollar and twenty cents. I undertake to say, that any school boy in New England could answer that question *instantly*. We shall have to send some of our Yankee school mistresses out to St. Louis.

Mr. STANARD : Excuse me ; could the gentleman tell what an hundred pounds would be at one dollar and seventeen and three-quarter cents a bushel ?

Mr. LIPPITT : You said one dollar and twenty cents. I could tell in a few moments ; but it is not necessary to answer that question now. Grain will be sold by the pound, just as other things are. We can safely leave all these questions to the wide awake and able gentlemen who are dealing in grain. We know they will very soon find out their rights, and maintain them.

I agree with the gentleman from New York that this is a reform. It is one of the needed reforms of abuses in business which this Board of Trade was established to promote. I have thought since I have sat here, that it would have been more appropriate to call this body the National Reform League, rather than the National Board of Trade, for our principal business seems to be to reform the various abuses which have grown up in years past in trade. Why, Sir, as well might I say to the gentleman from Boston, that I approve of the old and crooked streets that we used to travel through in Boston, where, when we had been walking five or ten minutes, we found on looking up, that we were just where we started from, as to say that I approve of the present system of measurement. The people of Boston have spent millions of dollars to cure that evil to which I have referred; they were not satisfied with that condition of things. Neither should we be satisfied with the commercial evils which have oppressed us for years.

Now that I am up, I will say that I am totally opposed to the amendment offered by the gentleman from Chicago. If I understand it, it is proposed that government officials shall be hedged around with a set of rules which the people do not recognize. Let us never take such a position as that. This government is our government. Let us hug it closer and closer to our breasts; never build a wall of separation around it, and oblige it to do its business in a different way from that in which the people transact theirs. We should make it more and more our government; assimilate it more and more to our daily methods, and never isolate it from us.

Mr. GANO: Inasmuch as the subject has been very fully discussed, I will withdraw my motion for reference.

The question was put upon Mr. RANDOLPH's amendment, and it was lost.

The bill submitted by Mr. GANO was again read, and his motion that Congress be memorialized to pass such a bill was agreed to.

VI. TARE ON COTTON.

This Board proposes for consideration the subject of allowance of tare on cotton, for the weight of bagging, ropes or hoops.

Mr. LIPPITT, of Providence: I am instructed by the Providence Board of Trade to read a resolution which was passed at its last monthly meeting, which covers this proposition:

Resolved, That the usage of selling cotton by gross weight, without reference to the variable weights of the material in which it is packed, is objectionable, and should be corrected by using an uniform method of determining the tare, and the same should be deducted from the invoice weights in all the markets where cotton is sold.

At the last meeting of the National Board at Richmond, this question of an allowance for the tare on articles of merchandise sold was discussed, and a resolution was passed as follows :

Resolved, That the constituent bodies be requested to advocate the adoption of a rule, that tares in all transactions shall be the actual weight of the package at the time of sale ; and to insist upon full weight or measure in articles purporting to be of a certain fixed standard, but which are sold by the parcel or package.

That resolution does not refer directly to cotton ; grain and bread-stuffs were more particularly in the minds of the delegates when they passed it. This subject of the tare on cotton was submitted two years ago at the meeting in Cincinnati, and it was laid over. It has also been before the National Association of Cotton Manufacturers and Planters, and they have gone so far as to memorialize some of the New England legislatures in reference to it. The subject is still under discussion. It is a difficult thing to manage. It is one of the abuses to which I referred just now, which have grown up in the trade and commerce of this country. It is a most singular one, because I know of no article of merchandise, however insignificant, which is covered by a bag, bale or box, that is weighed out to the consumer in the package. I cannot think of any article on which the tare is not in some way allowed, and the consumer called on to pay only for the real article which he buys. In some instances this question of tare has been difficult to reach, and it has given rise to more or less cheating, but that is incidental to trade. You cannot at all times reach these evils ; but we try, by public sentiment, by legislative action, or in some other way to give the parties who consume the articles some mode of redress. The legislatures of the different States, have from time to time, fixed the tare on certain articles. This has been done, I think, on butter, lard, and a good many other articles. We all know that the tare on sugar is a percentage, and that the sacks in which coffee is imported are not weighed. In some way, tare is allowed on every article, except cotton, King cotton as we used to call it ; one of the principal articles, if not the principal

article of merchandise in the world. We, in the United States have submitted to this thing, and never until within a few years, have we even made an effort to correct the evil.

I am a cotton manufacturer myself, and also a woollen manufacturer; therefore I feel a great interest in this question. I have taken some pains within the last six months to weigh, accurately, both the quantities of cotton I have received and the bagging, hoops and ties, in order to arrive at the percentage of waste on different qualities of cotton coming from different ports. The result of my investigation on one thousand six hundred and thirty-three bales, from March to September of the present year, coming from Mobile, Memphis, New Orleans, Charleston, and Savannah, (covering every description of cotton which is raised in this country,) is that the average tare on a bale of cotton, as cotton is at present packed, hoops, ropes, and bagging, is twenty-four and eighty one-hundredths pounds to the bale, or five and one-tenth per cent. of the gross weight of the material. The weight of ropes is about five and a half pounds to the bale. The weight of iron hoops, which have recently been introduced as a cheaper article, and one that better secures the cotton for market, is about ten pounds a bale.

Now, Sir, I have gone into a little calculation to show the importance of this thing to the manufacturer. The cotton crop of the United States in 1869 and 1870, was, in round numbers, three million two hundred thousand bales, of which two million two hundred thousand were shipped abroad, and the balance one million bales, in round numbers, were consumed in one way and another, in the United States. The average cost of middling cotton to the manufacturer during the year ending Sept. 1, 1870, was about twenty-five cents a pound. We therefore paid for the ropes and bagging six dollars and twenty-five cents a bale. The ropes and bagging are worth to the paper makers three and a half cents a pound. The hoops which are now used, almost exclusively, are as nearly worthless as they can well be; we can sell them for eighty cents an hundred, and it costs about as much to put them up and cart them off as they are worth. We therefore get about sixty cents a bale for what costs us, say six dollars and twenty-five cents, a nett loss of five dollars and sixty-five cents a bale, which on the million bales used in this country amounts to five million six hundred and fifty thousand dollars. That is a direct loss to the manufacturers.

Tare, as I have said, is allowed in every mercantile community in the world, where cotton is bought and sold, except in the United States. In Liverpool, which purchases by far the largest proportion

of the cotton crop of the world, the tare is ascertained by cutting the ropes, and by allowing four per cent. on the gross weight of the cotton for the tare on the bagging. The hoops weigh about ten pounds, which, on five hundred pounds would be about two per cent. The tare on cotton in Great Britain is about six per cent. In the other cotton markets of Europe the tare varies from four to six per cent. on American cotton; on other cotton, Egyptian and East Indian, it ranges from six to eight per cent. according to the packages in which it is put up, whether in skins or in sacking.

You will see at once the disadvantage under which the manufacturer of this country labors, when he comes in competition with his foreign rival. Over two million bales of our cotton crop are sold to foreigners and they make this allowance of tare. We consume one million bales a year, and the manufacturers lose the entire difference between the cost to them and the price it is sold for to the foreign purchaser. It subjects us to an additional cost on our goods, which, in some way or other we get out of you, gentlemen, who consume them.

I know another fact in regard to this subject. Those of us who have been in the cotton business a long time can look back a few years and note the gradual increase which has taken place in the weight of the bagging, ropes and ties, put upon cotton. During the war, when cotton sold as high as a thousand dollars a bale, the loss was immense. Our friends in New York,—a large portion of it coming through that city,—would employ their Irishmen to put bagging on cotton, and they would wind it round a bale six, eight, nine or ten times. Our friends there could well afford to pay them ten dollars a day for putting bagging on cotton bales. It was impossible for the manufacturer to look at all those bales, and sometimes we found the bagging weighed forty or fifty pounds. I have taken fifty pounds of covering from a bale of cotton when I was paying over one dollar a pound for it. It was a tremendous moth eating into the manufacturer's profits.

I am not addressing an audience I suppose which would for a moment be deluded into the idea that the whole of this loss comes upon the manufacturer, that is, that the cotton would sell for no more money if this tare was allowed than it would if it was not allowed. I am well aware that that is not the fact; but cotton is subject to the law of supply and demand, as all other articles of merchandise are, and it is but fair that the producer of cotton should put his article in merchantable shape when he sends it to market for transportation and

for use. He should do this at his expense; then, when he puts his cotton into market and sells it, if he gets a quarter of a cent more a pound for the article that is legitimate and fair. The manufacturer would not object to paying that, for he would then be on a par with his brother manufacturers all over the world, but now there is no such chance for the American manufacturer. The article bought with the cotton is a dead loss to the manufacturer. We are compelled to buy iron hoops, gunny bags, Kentucky bags, etc., instead of cotton. It is not fair or just. When we buy a barrel of flour we buy one hundred and ninety-six pounds; when we buy a box of sugar we do not pay for the box; when we buy molasses we do not pay for the hogshead in which the molasses comes; when we buy a keg of butter we do not pay for the keg, although some of our friends are putting in very thick and heavy staves, and the kegs weigh very much more than they purport to, but the sharp purchaser soon finds that out and will not buy the butter, or if he does, he makes the stipulation that some of it shall be turned out so that he may weigh the kegs. We have no such remedy in buying cotton; we are obliged to take it as it comes. It may be put up in a slovenly manner or covered with mud, but we have to take it about as we find it. I recollect that at one of the meetings of the Manufacturers and Planters Association, a letter was read from a Southern gentleman, travelling in England, who said that when he saw the condition in which American cotton reached Liverpool, he was ashamed to acknowledge that he came from the country in which that cotton was raised. He added that he could tell a bale of American cotton as far off as he could see it.

We must help each other fight the abuses of business. I contend, as I said when I started, that this is an abuse, compelling men to buy bagging at the price they pay for cotton. Let us separate the two things. Let the planter be paid a price for his cotton, sufficient to cover the cost on the bagging. If he can get this it is all right, but my impression is, that in about one-half the instances we should get it very nearly as we buy it now. A full or a short supply would control the price, and we should sometimes have to pay for the bagging and sometimes not.

There is another question which I submit to you, as merchants and as Christian men. Do we not directly hold out to the planters and producers of cotton in this country, an inducement to fraud and dishonesty? What do we say to the planter, say in the interior of Mississippi? "Go and buy your ties at six cents a pound, your rope at six or eight cents a pound, your bagging at twelve or fourteen cents,

put all you can on to your cotton ; the manufacturer will have to pay you two or three times what it costs you to put it on." Is not that holding out a direct inducement to dishonesty, corruption and fraud ? There are fraud and corruption enough in the community, Heaven knows. We must fight them wherever we find them, and as merchants, we are bound to set our heels upon this evil of which I have been speaking, wherever we find it.

I have prepared a series of resolutions which I shall ask you to adopt.

Resolved, That in the opinion of the National Board of Trade, the practice of selling cotton without allowance for tare of the material in which it is packed ought to cease ;

First — Because experience has shown that the only just method in the sale of all other articles of merchandise requiring a covering, is to allow the actual tare or as near it as circumstances will permit ; and there is no reason why cotton should be an exception.

Second — Because the present usage is a direct premium and encouragement to fraud and dishonesty, as shown by the increasing weight of the materials used in packing cotton within a few years past, and the variation in the weight of the same from different sections.

Third — Because it is the long settled and well established practice in all markets where cotton is sold, with the only exception of those in the United States, to allow a tare approximating as near as possible to the actual weight of the covering in which it is packed.

Resolved, That in order to insure uniformity in the trade, the legislatures of the cotton growing States be respectfully requested to pass acts fixing the tare on cotton at five per cent. of the gross weight of the packages,* this amount having been found by experience to be as near the actual weight of the ordinary material used in covering as it is practicable to ascertain without stripping the bales, which would injure the mercantile value of the articles.

Resolved, That the Secretary of this Board be requested to forward a copy of these resolutions to the Boards of Trade or Cotton

*In the course of the debate, Mr. LIPPITT modified the second resolution, by substituting for the words *five per cent. of the gross weight of the packages, this amount having been*, the words, *such equitable amount as may be*. With this alteration the resolutions as they appear in the text were adopted by an unanimous vote.

Associations in each of the cotton growing States, and also to the governors or secretaries of state of the same, requesting them to ask favorable legislative action upon them.

I am aware that this evil cannot be reached by mere resolutions here. It must be remedied, if at all, after time has elapsed, and a sufficient amount of effort has been made, by legislative enactments in the cotton growing States. There will be no difficulty in obtaining legislative action from the New England States on this subject. Our State is prepared to act upon it at any time; and although Rhode Island is a small State, and has but few inhabitants, we stand number two among the cotton manufacturing States in this country. But action on the part of the New England States alone will not reach the case, and therefore, after mature deliberation, we have to ask this Board, under instructions from the Providence Board, and after consultation with a number of Boston gentlemen, who are more largely interested than ourselves in this matter, to adopt these resolutions, and then to watch and see what comes from them, being prepared to make the next movement, when the proper time shall come. But we are determined that we will not go on buying bagging and iron for cotton.

Mr. LATHERS, of Charleston : Our friend who has addressed you, has very strongly and emphatically placed before you the great propriety of rectifying the evil complained of. There is no doubt at all, that it would be well if all merchandise could be sold pure and simple. There is no doubt, also, that covers must be put on various kinds of merchandise. For instance, when we buy wheat, we buy it in bags, and the bags are invariably charged for. It may or may not be wise to charge for the bagging; it may or may not be wise that the cotton planter should be paid for the bagging; but I am under the impression that trade in such matters always regulates itself. Our friend who sets out the fact that the English and other foreign spinners get their cotton to better advantage in regard to tare, than the American manufacturers do, forgets that these have an advantage in the great expense to which they are not subject, of the transatlantic freight on the commodity.

But I do not rise to speak upon that point. I rise for another purpose. There is a general tone used in speaking of the producers of cotton, which I am always very sorry to hear, and into which our friend who has just taken his seat has fallen somewhat. He told us of some one who wrote from England that he was ashamed that he was a producer of cotton. I do not like that class of men who

assume to rise above the community in which they live. If any southerner wrote in that way, he should be ashamed of himself. As an old cotton merchant, I will say that in my connection with the trade, I have never found a more honest set of men than the planters. We are told that cotton comes to hand in very bad shape. Why? Because the bales are not sufficiently strong; therefore not having a sufficient amount of bagging around them, which would cause one of the very evils which the gentleman very properly inveighs against. Would you hold the planter responsible, if the cotton arrives at Liverpool all torn to pieces? Have any of you, in travelling with a new trunk, had the misfortune to have that trunk smashed; and have you held the trunk-maker responsible, because the baggage-smasher has broken it to pieces?

Sir, the only objection I have to the whole of this excellent speech of our friend is, that it has carried with it, a tone that is not quite what I like to hear in regard to the producers of cotton. Cotton is still King cotton; it is the great basis of our exchanges. There is no doubt that King cotton helps to make King manufacturer.

It has been said that the bagging on cotton is very heavy. Why, Sir, I have imported sugar with the head of the hogshead five inches thick. What remedy is there for that? If the cotton planter puts his bagging on in the way alluded to, taking great pains to make his cotton secure, and also, to make it weigh heavily, I do not know of such cases; and our friend has very properly said, that sometimes it is so thinly covered, that it is torn to pieces when it reaches the market. But how shall this difficulty be met? If you say, take five per cent., what has the cotton planter to do, if he is dishonest; merely to buy still heavier iron, still heavier rope, and still heavier bagging. If you deal with this question as a moral question, I shall be very sorry. I believe that merchants are as moral as any other class in the community, but when morality is introduced into trade, you get yourself into difficulty; I am always very shy of dealing with the merchant, who introduces morality into his dealings. I shall be glad to have this question thoroughly discussed, and to refer it to a competent Committee; and I should be glad to see the gentleman from Rhode Island upon the Committee, and also to see some southern men upon it, so that together they may represent the different interests of the producers and dealers in cotton at the South, and of the consumers of cotton at the North, and determine what is the best method to be adopted to remedy the evil. As I said before, I should be glad to see this article of merchandise and all others, sold pure and simple.

Mr. LIPPITT, of Providence: I did not mean to be understood, and I certainly did not say, that the gentleman to whom I referred, wrote that he was ashamed of his vocation, as a cotton producer. I simply said that the bales were in such condition, that he felt ashamed that he belonged to the country in which it was thus badly put up. I certainly should be the last man to cast any aspersion upon any mercantile or agricultural pursuit.

Mr. TAYLOR, of Cincinnati: I hope the resolutions introduced by the gentleman from Providence will be unanimously adopted. I have bought and sold a great deal of cotton. I am largely engaged in the business, and also in selling bagging for covering this cotton, and I can confirm every statement made by the gentleman in regard to the increased weight of bagging of late years called for, which has run up from one and one-quarter pounds to the yard to three pounds to the yard, and the heavier it is made the quicker it sells. Heavy bagging of a poor quality, because it has weight, will command a much higher price to-day, than light bagging of good quality. There is no doubt that at least five per cent. is required to cover the tare on cotton. I have tried a good many experiments on it, and I have requested some mill owners for whom I have purchased, to give me the exact percentage of tare; and I believe that it takes at least five per cent. to cover the tare on cotton. There is no reason in the world why cotton should not be sold with an allowance of a percentage for the tare. If the actual tare were marked upon the bales, that would probably be the better plan, because some packers use much lighter covering than others, but we must have either the actual or the approximate tare.

Reference is sometimes made to Cape wool. This is a matter not within our control, but we can control the cotton question; we can insist that this great staple, like sugar and everything of that kind, shall be sold by actual weight; that the tare shall be allowed upon it. If you do not, I am perfectly satisfied, the weight of the bagging will continue to increase till you will have ten per cent. of tare; and I have actually seen that amount on several occasions. I know that year after year we are making cloth heavier and heavier, for the simple reason that the cloth costs so much less than is paid for the cotton, that it pays the planter to use the heaviest article. There was a short period this year, when the cloth was very high, and cotton very low; then there was hardly any cloth too light to be used for bagging; in fact, there was more profit in using light cotton bagging and burlaps. A great deal of cotton came to hand covered with burlaps, for the reason that the burlap could be bought so much

cheaper than the heavy bagging. At one time the heavy bagging was sold for thirty-three or thirty-four cents a pound, and the planter found that the bagging was costing him more than he got for the cotton, after he had put it on, and there was consequently a great falling off in the demand for bagging.

I agree with the gentleman from Providence, (Mr. LIPPITT) that we are not likely to reach any practical result for some considerable time; but if this National Board is to be of any use at all, this is just one of the things on which we can advise. We must urge that there shall be an established system of tare on cotton, as well as on other articles which we produce. I repeat that I can confirm every word spoken by the gentleman from Providence. He put the case with great clearness and force. I know what he said to be true, from actual experiment and from long experience in the business. I hope that his resolutions will be adopted unanimously. I think there will be no objection to the principle he has laid down, that cotton as well as other merchandise should be tared.

Mr. LATHERS, of Charleston: I want this question to be referred to a Committee to be appointed by the Chairman, constituted in such a way as to recognize as far as possible the interest of the consumer and of the producer. I should like to have the Committee instructed to obtain all the information it can from all parties interested and to report at the next meeting.

Mr. ROPES, of Boston: I hope that the amendment will not prevail for I do not think anything would be gained by it. I think the subject is sufficiently clear for us to pass upon it now. As has been already remarked, I do not think that a great deal will be accomplished by these resolutions, but it will be something to consider the subject and to declare our judgment upon it. I think we are prepared to declare that judgment without the intervention of a Committee. There is only one point to which I should object, and that is to stating any specific amount of tare. That may be made lighter or heavier by the use or the rejection of iron hoops, etc. I think it would be sufficient to say "an equitable amount of tare," without specifying any particular percentage, which would be immediately cavilled at from all quarters.

For nine years I have had nothing to do with buying or selling cotton. Previous to that time I was largely engaged in exporting it; purchasing it at the South or at the North, where there was no allowance for tare, and allowing in Europe from a pound to a pound and a quarter for rope upon the bale, and two and a half per cent. for tare in addition, which made the total allowance in weight about four per

cent. It was universal, in estimating the cost of cotton which was to be sold to the foreign customer, to take off four per cent. from the weight of the article which we had bought in order to arrive at the weight for which we expected to receive pay. I now import merchandise of various kinds, on which I am obliged to allow tare where there is tare to be allowed. If I import an article done up in bales, I have to allow for the matting as well as for the rope. In all such cases it is understood that the purchaser is to pay only for the net amount of the article which he buys. In articles like Manilla hemp, the practice is so uniform that it is taken at so much a bale net, the allowance for tare is implied. That is the universal practice in all cases, and the only exception I know of is the one made in regard to cotton. This was not so great a hardship ten or twelve years ago when we bought our cotton for six and eight cents a pound, when really the bagging and rope cost nearly as much as the cotton; but when cotton came to be a dollar a pound the hardship was excessive and the temptation to fraud very great. The planter or commission merchant was tempted to add to the bagging and rope until it became a positive nuisance, as Pistol would say, "most tolerable, and not to be endured." It seems to me, Mr. President, that the only way to remedy this evil is to provide that the tare shall be allowed. I mean that the value of the bagging and rope shall be allowed, and that not a value fluctuating with the fluctuations in the value of cotton, but a fixed value. Cotton may be fifteen or sixteen cents a pound and the bagging may be worth less; cotton may be worth six or seven cents a pound and the bagging may be worth more; or cotton may go back to a dollar a pound and then there would be a large profit on the bagging and rope. The only way will be to make a separate allowance for the article itself and a separate allowance for the tare. That is the common sense method adopted in regard to other articles.

A DELEGATE : Except wool from the Cape.

Mr. ROPES : We do not propose to do our business *a la* Hottentot. We propose to do our business in civilized fashion and to adopt a scale of tare that shall be as equitable as possible. My friend from Charleston remarked that he has had to pay for sugar boxes five inches thick. What redress did he get for that? I will tell him; he got fifteen per cent. tare where the net tare was about ten per cent. The only remedy is to go to the root of the matter, to be honest, to make a fair allowance for the tare, and to let the prices for the article be such as will indemnify the shipper for the necessary expense of putting his cotton in proper packages. That is what we do with coffee, tea and every other article we import.

MR. LIPPITT : I hope the Board will not refer these resolutions to a Committee. I should have no objection to it if it was not for the time that would elapse before we should receive a report. I consider that it would be equivalent to laying the subject upon the shelf, to remain there, perhaps, for ever. Is not this Board prepared to meet the naked question, and to say to the raisers of cotton, that they ought to sell their staple and allow tare upon it, as is done with every other article? If there is anything in this that you are afraid of, then you had better let it alone ; but to refer the subject to a Committee to be lodged by them in some pigeon-hole, where we shall not hear from it for years, is simply to shirk the question, and I do not believe these gentlemen so intelligent as I know them to be are disposed to do this.

In regard to tare on wool I may say that I am using a very large amount of wool and I never failed to get the tare upon it. It is said that wool is full of dirt, so is cotton, and not of dirt only but of stones, iron hoops and everything else. I do not mean that as a reflection upon the cotton raisers. I know there are as many honest men raising cotton as there are raising other products, but it is a fact that they are induced to put heavy ties and bagging around their cotton by the present state of things. I know, as my friend from Cincinnati has said, that the heavier the bagging the better price the manufacturer will get in the market. I do not pretend to say that the bagging is too thick on the bales ; I do not know whether it is too heavy or not. That is not a question that comes in here. Be it heavy or light, I believe that the manufacturer should have the opportunity to buy cotton, not bagging. I know that light bagging does not answer for covering cotton, but according to my impression, one great trouble is, that cotton is put up in too large packages. One hundred pounds can be easily handled ; five hundred pounds must be dumped into the dirt. The bale lies on the bluff at Memphis for weeks, gets torn, and covered with sand, and when it reaches the manufacturer it falls short, perhaps twenty-five pounds to the bale. We are sharp enough to detect that ; but we ask this Board to say that the man who sells cotton shall sell cotton and not bagging. If you are afraid to meet this question, then let it lie on the table. But you will never know any more than you do now about it if you live to be a thousand years old.

MR. LATHERS : I should be in favor of a modification of these resolutions, and I should like to impress the Chamber with one important fact. We are a voluntary body without any power except as we shall impress ourselves upon the community. Now, if we take it

upon ourselves to change the value of a particular commodity to the extent of five millions of dollars or more, we are doing that which demands beforehand, mature consideration. We have not yet given the subject that consideration. Why? Because gentlemen express the doubt whether five per cent. is precisely what the tare should be; it ought, perhaps, to be seven or eight, or perhaps three or two. We are, I repeat, a voluntary body, and shall make ourselves useful or not according as we shall pass sensible resolutions. So I ask you to deliberate well before you determine upon this question. I assure you I am desirous that this view, taken by the gentleman from Providence should be substantially adopted, but I do not want our decision to be arbitrarily made. Just consider the value you are going to change against one class of men and in favor of another, and ask yourselves if you think your proposition will be readily accepted if the burden is found by the former to be too onerous.

Mr. TAYLOR, of Cincinnati: We are not changing the value of the article at all. The price of cotton is governed in this country by the price in Liverpool and in New York. The man who exports cotton always makes his calculations for the tare which will be taken off in Liverpool. This was formerly four per cent. and was simply to cover the tare; but we have increased the weight of the bagging to such an extent that now it will take five or six per cent. Nearly six per cent. is now taken off in the Liverpool market. That deduction is always made before the shipment of the cotton, and the price at Liverpool governs the price in this country. We are not by our action here to affect the price of cotton five per cent.; we propose simply to request the State legislatures to protect people from fraud, because the present system offers a premium on fraud. The cotton packers have substituted iron hoops for ropes, large ropes for small ropes, thick ties for thin ties, until I am satisfied that the average tare on cotton this year will be nearer six than five per cent., and yet there is a call for heavier bagging and heavier ties and more of them. The proposed change will not materially affect the planter, for if he sells his cotton without any deduction for tare for ten cents a pound, it will bring him twelve or twelve and a half cents if he deducts the tare; but by compelling an allowance for tare you enable the manufacturer to know what he is buying. He does not know now. He cannot come within three per cent. I bought a lot of cotton within the last ten days, the tare on which I will guarantee will not run three and one-half per cent. It was put up in thin burlap, with small ropes. The next day I bought another lot that I am satisfied will run six and one-half per cent. from its heavy bagging and thick ties.

All we ask for is some rule by which, when a man buys the article, he shall know what he is to receive. He does not know now; he never will know under the present system. This proposition, if carried out, will not change, I repeat, the value of cotton to the planter, he will simply get so much more for the net article.

Mr. SHRYOCK, of St. Louis: I have had a good deal of experience in the cotton business, and also in the bagging business, and I think the remarks made by the gentleman from Providence, (Mr. LIPPITT,) and Cincinnati, (Mr. TAYLOR,) are mainly true. I have been selling bagging for years, and I have found that year after year it has been increasing in weight, and that the poorest and heaviest is that which is sought for mostly by planters. Heaven knows, Sir, I would not cast any aspersion upon my own people, for I am proud to say that I was born under a southern sun, and I love those people, as noble and generous as any that were ever seen on the face of the earth; but I feel that this is a growing evil, and that these gentlemen should have the privilege for which they ask, of buying cotton, not iron hoops, ropes or bagging.

This matter has been fully discussed, and I do not think that this Board will ever be more ready to act upon it than now. I believe that reference to a Committee will delay it. And you must remember another thing, that the time of this meeting is running away rapidly, and we are now only on the sixth proposition. I am unwilling to incur the risk of letting this lie upon the shelf, or come up at the last moments of the session.

Mr. LATHERS: I will withdraw my amendment.

Mr. LIPPITT: I ask leave to modify the second resolution omitting mention of a particular tare, and leaving the statement in general terms, so that the resolution will read as follows:

Resolved, That in order to insure uniformity in the trade, the legislatures of the cotton growing states be respectfully requested to pass acts fixing the tare on cotton at such equitable amount as may be found by experience to be as near the actual weight of the ordinary material used in covering as it is practicable to ascertain without stripping the bale, which would injure the mercantile value of the article.

The resolutions were then unanimously adopted.

VII. RESTRICTIONS ON INTERNAL TRADE.

That the National Board of Trade be requested to renew its efforts for the common abandonment of all restrictions upon internal domestic trade, and the abrogation of all laws discriminating against non-resident traders and agents, whether enacted by municipal or State authority.

Mr. GRUBB, of Philadelphia: This subject comes from the Philadelphia Board of Trade. If gentlemen will refer to the action at Richmond a year ago, they will find under the head of local trading licenses, that the question was thoroughly discussed. I do not propose to take up time in a further consideration of it. I think the ground will be covered by adopting the recommendation of the Executive Council, contained in their recent report. I ask attention also to the bill offered by the Hon. Mr. CONNOR, in the House of Representatives. I conceive that this bill covers the whole ground, and until some objection is made to the principles involved in it, I shall have nothing further to say. I hope it will be understood that each constituent body is to take it upon itself to act in the matter, in addition to the action of this Board.

I move that Congress be memorialized to pass the bill which is referred to in the report of the Executive Council.

The Secretary read the bill as follows:

"WHEREAS, The unjust, illiberal and unconstitutional practice of imposing restrictions upon trade between the States and Territories of the United States has prevailed and become the subject of legislative enactment by the legislatures of some of the States and Territories of the United States; and whereas said legislation is of a discriminating character, imposing restrictions favorable to some and detrimental to other States and Territories; therefore,

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the passage of this act the trade and commerce between the several States and Territories of the United States shall be free and unrestricted, and no tax, duty, or transit fee shall be laid on any articles or property exported from any State or Territory into or through any other State or Territory, any act or resolution of any State or territorial legislature to the contrary notwithstanding.

"SECTION 2—*And be it further enacted, That no State or territorial legislature shall hereafter, by act, resolution, or otherwise*

deny free transit and right to sell any goods, property, or merchandise belonging to the citizens of any State or Territory of the United States."

Mr. LATHERS, of Charleston: By request of the Board of Trade of Charleston, I rise to oppose the resolution. It is true that trade is very much shackled in this country. To some extent, needlessly, but to a greater extent of necessity, in the Southern States, especially. They are very poor there, and they have heavy taxes to pay, to enable them to fulfil their engagements. The legislatures of the Southern States, and the municipalities also impose very heavy taxes, and these press heavily upon trade there. It is a remarkable fact, that the city of Charleston bears a large portion of the taxation of South Carolina. Now, Sir, if you induce Congress to pass this bill, what will be the effect of it? It will be not to secure greater freedom of trade, but to free one class of people from burdens which another class must bear. For instance, I was for many years a country merchant in Georgetown, South Carolina, and I had to pay one per cent. to the State on my stock of goods on hand on the first of January, the municipal authorities of Georgetown also charging me one-half per cent. on sales. I used to go to Massachusetts, and buy large quantities of shoes, to increase the business of our friends in Lynn. I used to go to Lowell, and purchase very largely of woollen goods, to increase the business of the people of that section. Suppose the gentlemen of Lynn and Lowell had followed me directly down to Georgetown with their samples, and had been able to sell free of taxes, there would have been one and a half per cent. against my ability to maintain myself as a merchant there.

The great mistake we have made in discussing this question is this: That we are very apt to lean too strongly to the side of free trade. I should be very glad to see that principle carried out; but when it is adopted, it must be adopted by all. When the local trader has restrictions placed upon the sale of his goods, the stranger who comes in should be subject to the same; the stranger should enjoy the same rights, and submit to the same burdens. If the merchant in Charleston is obliged to sell his goods subject to a tax of three per cent. as is the case now, and other persons are allowed to go down there and sell goods free of tax, you break up the local trade. I know it will be said, that the more free trade is, the better; but I think, if this resolution is to be adopted, another one should be added, asking

the State legislatures to free commerce entirely. Then this law will come in with entire propriety ; but if Congress shall act upon this resolution, the effect will be utterly to destroy the local trade in the smaller cities. The whole South will be covered by wholesale peddlers, and the trade of that section will be seriously impaired. I ask gentlemen seriously to consider the question, whether it is wise at this time, when there is so much commercial distress at the South, to do anything which shall embarrass the local trade more than it is embarrassed now. The local taxation is enormous, and it falls heavily upon the merchants of the South. A large part of that trade, I am happy to say, is carried on by men from the North, who have brought their families there, and bear their share of the burdens, and surely you do not intend to break them down. I assure you the passage of such a law would seriously affect the small cities.

Mr. SHRYOCK, of St. Louis : The gentleman has not touched the question at all. It is not a question for this Board to consider what shall be the local tax of a particular town in which he may live. I know it is the practice of some towns on the Mississippi river to raise about all the money they spend, by laying taxes on steamboats, and persons passing by or through their territory. I myself make a commercial tour, at least once or twice a year. I find it necessary in the prosecution of my business to travel through the Southern States. My business is almost exclusively among my own people, but so heavy has the taxation become upon persons travelling from the Northern and Western States, into that part of the country, that it amounts to a prohibition. I myself once came very near getting into the Atlanta jail. I suggested to the Mayor, it would be a pretty spectacle to see the President of the Board of Trade of St. Louis in the jail of his city. I was tapped upon the shoulder by a gentleman in disguise, who took me aside, and said : " Do you know you are violating the laws of this State ? " " No, I do not," I said. Said he, " You are liable to a fine of five hundred dollars, for offering to sell the people flour." I was waited upon by the Mayor and told finally, that I could, for the sum of fifty dollars, exhibit my samples of flour in that city. From there, I went to another city, and so on, and beginning to calculate the cost, I found that my expenses, and the licenses I had to pay for to do business in the State of Georgia would amount to more than all the profits on the goods I would sell there, so I returned home.

This is no small matter. A man going into those little towns, finds that every small place of perhaps not more than five hundred or a

thousand inhabitants, levies a tax upon him, when he goes there to trade. The local traders say, in their letters, "You never come to see us now." With that sort of *hospitable* reception, we do not want to go.

I think this is a great evil, and a great nuisance. It came up before our Board of Trade, and before the National Board at Richmond, at the instance of our Board, for the reason that our citizens have been annoyed beyond expression by these restrictions. I am free to say, that I believe the merchants of Georgia are opposed to the whole thing. They want to see the samples of flour and whiskey, and such things as are marketed in their country, before they buy them. But if any man goes into Georgia and offers to sell goods, he is liable to a fine of five hundred dollars, and if he should attempt to sell whiskey, it would cost him a thousand dollars, and three months in jail. I maintain that this is in plain contravention of the Constitution of the United States, and therefore, I have opposed it, and shall oppose it on this floor. I hope a resolution will go forth from this Board which will show that we regard these local enactments as flagrant violations of the laws of trade.

Mr. LATHERS, of Charleston: In regard to the statement that I have not met the point, that may imply want of judgment on my part; but I will say to the gentleman, who says he has had so much difficulty in prosecuting his business in Georgia, that if he will come to South Carolina, and bear his portion of the burdens, as all other merchants do, we will allow him to sell his goods; and even if he should bring whiskey there, (although we do not drink whiskey there) we would let him sell that.

This is not a question of free trade. Free trade is what? Free trade is to give every man the same advantage in the same market. Shall it be tortured into this; that a town which compels its own merchants to pay taxes, shall allow persons from other States to come in and sell goods without tax? How would it be possible for the local merchants to sustain themselves? These laws were made because so many were coming in and taking the trade away from the local merchants, who should have supplied the people with flour and other articles.

It is said that they want to know what they buy. I assure you, they have every confidence in the merchants of the North, and when they send here for goods, whether dry goods or groceries, they are entirely satisfied that the mutual interests of the merchants at the North and at the South, will be properly cared for, and may be fairly kept up by correspondence. I could easily retort, but I shall not do

so. How easy it would be for me to say that there is less confidence in strangers who are passing through the country than in well known mercantile houses, who are engaged in distributing their goods in the usual way. How is it possible to maintain trade if strangers can come and sell goods in this way? Pray, at what time shall the stranger be compelled to pay his portion of the public charges necessary to the maintenance of the city itself?

Mr. ABLE, of St. Louis : It seems to me that this bill has not the proper title. It should be entitled "a bill to encourage free drumming in the several States." I do not think that if there is local legislation in any state which requires merchants to pay heavy taxes, it is incumbent upon that State to allow every trader from other States to come in there and sell his goods and wares free from taxation. It seems to me that this is a matter with which we have nothing to do. If this bill has any merit at all, it is to encourage free drumming, not free trade. Free trade means that a citizen may buy in any market he pleases, without any restriction at all ; but when he comes to sell in any market, he is to conform to the local laws. That is not inconsistent with free trade, it is merely local protection to the people who are doing business in the different localities. Clearly to my mind there is nothing of free trade contained in this resolution. If it were a free trade resolution it would have no stronger defender upon this floor than myself, for I am for free trade all over. It looks to me, I repeat, like an effort to encourage free drumming, or free soliciting for business by rival houses in different States, and not like an effort to encourage free trade.

Mr. WILLIAMS, of Baltimore : As this tax is levied in the State of Maryland, it is due to us that we should make an explanation of our position. The resolution in relation to this subject passed last year at Richmond, was adopted by the Baltimore Board of Trade, and our legislature was petitioned to repeal the law, because we felt we did not require it. The Southern States, as the gentleman has very well said, may do so. But our position is this : I doubt if this resolution meets the question. We do not trammel trade, we give every man who comes into our State the right to trade, but we make him pay the same taxes that we are compelled to pay, while granting him the same privileges that our own citizens enjoy. Therefore that resolution does not reach the case of our city. We think we can get these charges off gradually, and I would suggest to the Board that we just go on with our efforts without asking Congress to pass the bill which has been read.

•**Mr. WETHERILL**, of Philadelphia: I entirely agree with the remarks of the gentleman from St. Louis, (Mr. ABLE,) when he styles this bill a bill in favor of free drumming, but I object to the disrespect which perhaps some may take exception to in his use of that term. He may not know it, but it is a fact that the trade of the country in the last six or seven years has changed very materially, and that to-day perhaps seventy-five per cent. of our jobbing trade is done by those whom the delegate from St. Louis, (Mr. ABLE,) sees fit to call drummers. Now, Sir, inasmuch as the trade of the country is performed by active, intelligent young men who start with small capital, and to increase their trade, travel through the country and do what they can in that way to build up a business; it does seem to me that they should be encouraged; that so far as trade is concerned, State lines should be wiped out, and if, perchance, some city should see fit to build a wall around itself, so that it may keep its own trade to itself, we should say to that city that old things have passed away, that those barriers must be removed, that in this enlightened age of ours all such restrictions should be levelled, and that so far as domestic trade is concerned, it must be as free as air. I differ from my friend from Charleston in that regard. I in Philadelphia, invite Boston, Charleston and New York to send their active men to us, and if I can learn anything from them, it may do me good. If I manufacture or if I job an article, and I meet a sharp salesman from New York going into the houses of my customers and underselling me, it should lead me not to build a wall around myself or my city so that that sharp salesman cannot enter, but to inquire how it is that he is enabled to compete with me so favorably; how it is that he offers the goods in which I deal at so much less price. It should put new *vim* into my trade, new energy into my business, and I should say to myself, perhaps, I am not quite as wide-awake as I ought to be, and perhaps if I do not bestir myself I shall lose all my trade, no matter how high or how strong is the wall with which I try to surround myself. It does seem to me that this is a question that we should act upon at this time. Why just look at it. It is true that free trade does not enter into a question of this sort, but yet my friend from Milwaukee last year, while this question was under consideration, thus forcibly spoke:

“**Mr. HOLTON**: It affords me very great pleasure to second this resolution of my friend from Philadelphia. It is a good free trade scheme. I am not going to ask my friend now to do away with his little arrangement by which I am compelled to stop in Pennsylvania to buy iron, but I am going to give him the free run of Wisconsin.”

Now, as far as the freedom of domestic trade is concerned, I honor a sentiment of that sort, but unfortunately, the views of my friend (Mr. HOLTON,) are not endorsed by his own legislature, for when I refer to page 346 of last year's Report, I find that the legislature of Wisconsin have passed this law :

"No person shall be allowed to travel from place to place within that State to sell any goods, etc., except such as are the growth or manufacture of the State, without a license as a hawker and peddler."

Now, it does seem to me that instead of that being free trade domestically it is protection domestically. If I am selling pig lead, I am free to travel anywhere in Wisconsin, but if I take white lead from my own manufactory, I must either pay a fine or take a license. So it is perhaps in all the other States. As I run down the list and calculate the fines, I do not wonder that a delegate in this body came near finding himself in Atlanta prison.

"ALABAMA. Fifty dollars for a license."

"CALIFORNIA," (all right on the cental but I think all wrong here,) "one-half per cent. on sales. Five hundred dollars for license to sell gold or silver ware manufactured out of the State."

"MARYLAND. Non-residents of the State may not sell in the city of Baltimore, (any goods, etc.,) except agricultural products and articles manufactured in the State, either by card, sample or other specimens, or by written or printed trade list or catalogue, without a license. Three hundred dollars for one year, (nor under the name or at the store of any licensed dealer, not being in his regular employment.) Penalty from three to six hundred dollars."

"MASSACHUSETTS. Fine of not over two hundred dollars; license from three to twenty-five dollars for one year." I wonder at this, so liberal as Massachusetts has been in other regards.

"PENNSYLVANIA," and shame on her! "Fine not over three hundred dollars, or imprisonment not exceeding thirty days, or both."

"MISSOURI. Peddlers must have a license for selling goods not the growth or manufacture of the State."

I desire to recommend to Congress the passage of a law which will make all State laws subservient to it. The folly, perhaps, of the resolution which we passed last year was in this: that we memorialized our different legislatures. I should like to know what possible good any such resolution could do unless every legislature saw fit to carry out our ideas upon the subject. I contend that such a resolution must fall to the ground and be of no effect. And now with all respect to my friend from St. Louis, we desire to have a law passed by the Congress of the United States and not

allow any contracted view on the part of the legislature of any one State to build a wall around itself.

Mr. OBER, of Milwaukie: I agree most fully with the views expressed by the gentleman who has last spoken, and I regret exceedingly that my own State has taken such a narrow view of this question as to enact the law to which he has alluded. I think that one good resulting from the present meeting of this Board will be to throw light over the whole country, in regard to this important question. It seems to me to be a question of that peculiar character that its practical working would determine its merits better than any thing else, and there is no business man, I presume, whose observation and experience have not been such as to enable him to make up his mind upon it. This is an age of great progress, and by means of railroads and telegraphs the whole country has been thrown into immediate and close connection, and it seems to me that the abolition of all restrictions on trade should follow as a legitimate consequence from this close relationship. Indeed, we have but one market now, and that is open, we may say, to the whole country. And in regard to this argument which has been used by gentlemen who seem to think that the resident merchants should be protected; I do not suppose that the legislatures of the several States, who have enacted such laws, intended that their merchants should enjoy a monopoly to the detriment of the mass of the people; for it is to be fairly inferred from the advocacy of these restrictions, that the merchant at home cannot sell his goods as cheaply as the merchant from abroad. That, I say, is a fair inference, and I presume that the legislatures of the States did not intend that the people should suffer in consequence of this tax. The mass of the people would rather that the taxes should be abolished altogether than have to pay the amount four-fold, perhaps, in the price of their goods. However, I do not admit that such is the fact. As a merchant in Milwaukie, under this new order of things, I find great compensation in the fact that the markets of the United States are brought, as it were, tangibly before me. We have in our counting-house almost every day samples of sugar, coffee, tea, and all the leading articles from Baltimore, New York, Philadelphia, and all the principal cities, so that we can there, without any expense, without inconvenience to ourselves or interruption to our business, examine the various markets and see which offers the best terms. Under this state of things, we are not obliged to go continually to New York or to Baltimore, and spend a good deal of time as well as money, in canvassing the markets; and I hold that the merchant himself is better accommodated by this arrangement, and is far

more than compensated even if he does have to pay this local tax, by the saving of time and money, and by being able to give uninterrupted attention to his business at home. I can see no reason therefore, why the restriction should not be abolished. And certainly the general principle of free trade to which the country seems to be tending, would seem to dictate that all such restrictions should be removed.

Mr. ALLEN, of Philadelphia : I suppose I stand alone in the Philadelphia delegation in my opposition to this resolution. I have been in opposition to it at home, and I shall vote against it here, and for the reason that I do not believe that a citizen of New York or of Massachusetts should have any more favors extended to him in the State of Pennsylvania, than we have who are merchants there. We are taxed as wholesale dealers ; we are taxed so much upon our sales. If we sell one hundred thousand dollars worth of goods, we are taxed a certain amount ; if we sell two hundred thousand dollars worth we are taxed a still greater amount, and so on through the whole range. Now the State of Pennsylvania, when it taxes its own merchants on the sales of their goods, virtually says to the commercial traveller or the drummer, or whatever you please to call him, " We will allow you the same privileges we allow our own merchants on the payment of a tax of three hundred dollars. When you have paid that tax, you may sell any amount of goods you can, up to a hundred millions, whereas our own merchants have to pay a tax in proportion to the amount of goods they sell." That is the reason why I oppose and shall vote against this resolution.

I oppose it for another reason. I presume it is very unpopular to say that there are some rights yet reserved to the several States, but, Sir, I always have believed it, and I believe it still ; and I am opposed to going to Congress for everything. We have been to Congress almost every year with some proposition, and this resolution provides for going to Congress for a law to regulate this subject for all this vast country. I think all these evils will correct themselves, and that this National Board should be very cautious in dealing with such matters, which have grown up in the States. The several States have some rights left yet, and one of these rights, certainly is the raising of money by taxation, to enable them to bear their own burdens. I shall vote against this resolution.

Mr. STANARD, of St. Louis : I deem this one of the most practical and important subjects which has come before the Board, and I hope it will receive careful consideration. It seems to me

there is one vital point which has not been touched in this discussion, and that is this : That the commercial traveller or drummer, when he goes into another State, does not sell to the consumer, he sells to the merchant himself. If he can sell goods to the merchant cheaper than he can buy them elsewhere, and at such price that the merchant can distribute them to the consumer at a profit, is he doing any damage to the trade of that State, or of that city, in which he may solicit trade ? If it were a fact that the commercial traveller entered into a State, and located himself with a stock of goods, and sold to the consumer, then the complaint which is made here, would have great force. But it is not so. The commercial traveller who starts out from Philadelphia, or from New York, or from Boston, or from any of those other Eastern cities, or from the interior cities of the Mississippi valley, does not go to the farmer, or to the mechanic direct, but he goes to the trader, to sell his goods to him. It may be said that the man who is in business in the city, or in the State to which the commercial traveller goes, is paying a large tax, and a large percentage upon his gross sales. This is true, but is not the merchant who lives in Philadelphia, or in Chicago, or in St. Louis, paying at home the same percentage on the amount of goods sold by him away from home, as the man is paying who sells all his goods at home ? He pays the same rent, the same internal revenue tax, and it seems to me that there is no injustice in this respect, and there can be no impropriety with our present system of internal revenue, and of taxation, in recommending that this bill should be passed. I see no inconsistency in the matter at all. There would be an inconsistency if these commercial travellers traded directly with the consumer, but until they do that, it seems to me there is no inconsistency in the matter, and no injustice done to the resident merchant by a foreign merchant coming in and selling him goods.

Mr. CHITTENDEN, of New York : The last speaker has touched the marrow of this question. When the same subject was before this Board last year, I ventured in a very few sentences, to express my surprise, that there should be found gentlemen here to advocate a continuance of the restrictions upon our domestic trade which are referred to in this resolution. I can now, if you will excuse me for a personal reference, furnish an argument for the abolition of these restrictions, from my own experience. I am so old foggyish, and old-fashioned, that I refuse to be a drummer, or to allow my commercial establishment to act as a commercial drummer, in the sense referred to by several speakers. Having been for twenty-five years

in business in New York, we do not send out travellers to sell our goods ; but there are dealers in Charleston who complain that we do not, and there are dealers in other places where these restrictions exist, who complain to us, that they are prevented by them from getting their goods on the best terms. It no longer needs to be proved that this class of men who are spoken of here somewhat disrespectfully, or sneered at, as drummers, carry merchandise from the most respectable commercial houses at the North, which they sell honestly and reputably, on better terms than the same merchandise is obtained for by those who travel from the remoter parts of the country, at large expense, to the great commercial cities, and who, without experience, are often imposed upon in those markets. I think that the Charleston merchant who visits New York twice a year, can buy his goods at his own counter, to much better advantage, than in New York, because he knows when the commercial traveller presents an article to him, on his own counter, whether it is the thing he wants. But when he comes to New York, he is beset by a dozen or more drummers before breakfast and after breakfast ; before dinner and after dinner ; before supper and after supper ; at the hotel and everywhere ; and he is pulled and hauled, this way and that, and "drummed" in a way which is wicked ; so that these men who come to our larger cities, once or twice a year, are often misled, and when they get home they find that the goods they purchased at home were bought to much better advantage than those purchased abroad. I could instance scores and hundreds of cases within the last five years, where the old dealers with my firm have complained to us, that we do not give them our goods at their counters as other houses do.

I would say, without the least disrespect, that in my judgment, the gentlemen who are opposed to this resolution, and to the abolition of these restrictions upon trade, are precisely as enlightened as the people of a city in my own native State, in a case which I will state. When I was about twenty years of age, there was a railroad running from New Haven to Hartford — thirty-four miles. There was also a railroad projected from Boston to Albany, and the question arose, whether a connection should be made between Hartford and Springfield, thus giving a through line of travel, to Boston and to Albany, by that route. I remember distinctly, that in my boyhood, I was amused with the state of excitement the people generally were in, and the perfect uproar which was created, because, as it was said, their city was to be ruined by that connection. They fought it step by step, and fought it successfully year by year, but at last they were overruled ; and now go and ask them whether that railroad connec-

tion has damaged either the real estate or the general trade of Hartford? This is another just such case; my friends, you stand in your own light, and act against your own interest, so far as you uphold these restrictions. I hold, Sir, that there is not a merchant in Charleston who understands his business to-day, not a merchant in any of those remoter cities, who naturally is brought to New York, or to the principal markets, twice a year, who is not interested to have the merchants of the great markets send their agents to his own counter, without restrictions, to sell him, on the best possible terms, such goods as they have to offer. It is at his option to buy them or not. The time will come very soon, when there will be no division of public sentiment, or of sentiment in this Board on such a question as that.

My friends, what are we to expect in regard to the great question of our foreign trade, if we cannot agree to sacrifice what seems to be a petty, selfish, local interest for the public good? There are gentlemen here ready to advocate free trade with foreign countries, but let it be remembered that we have an immense national debt. I am an advocate of perfectly free trade. I want to import my goods free from all parts of the world; and if you will tell me, at the same time how to pay the debt, I will advocate the principle of free trade with all the world. But if we cannot have free trade between our own States, if there are merchants here whose minds are not sufficiently enlightened to know where their true interests lie, if selfish and local interests are to govern and control this Board, then I ask what hope have we, that we shall ever attain a state of public sentiment, which shall enable us to initiate revenue reform, which means commencing a steady approach to free trade?

Mr. ABLE, of St. Louis: I simply want to say, in explanation, to the gentleman from Pennsylvania, (Mr. WETHERILL) and the gentleman from New York, (Mr. CHITTENDEN) who has last spoken, that I had no idea of casting any slur upon the gentlemen known as commercial drummers. I am not going to take back what I said, that they are drummers, but I did not use the word for the purpose of casting any slur upon them or their calling. When I was connected with the navigation interests of the country, as a steamboat captain, I did not regard it as any slur on my vocation to call me a boatman. I thought it was an incident of my business. I think that drumming is a branch of commercial business. Whether the system is the best for the merchant and for the country, I know not. But what I mean to say upon the subject of the resolution is, that where-

ever the local laws require a resident merchant to pay taxes upon his sales, if a merchant from a sister State comes into that State to sell goods whether to the retail or the wholesale merchant, he must conform to the laws of that State—nothing more, nothing less. That was all I wished to intimate. I think that is free trade. A merchant in St. Louis or in New York can send his orders all over the country, if he pays the postage upon the letters that contain them. That is my view of the question. Merchants going from one State into another must conform to the local laws. If the laws are defective, I doubt very much, as one gentleman has said here, whether the government of the United States has a right to undertake to rectify those laws. That is a question too wide, and too broad for me to take up and discuss. But I venture to say that when you make your appeal to Congress they will discuss this question with great hesitation, and I very much question whether they will pass any law based on the doctrine of the right of the National Government to override State enactments. But while I say that, I say further, that no man in this Board, or in the country, was ever more devoted to the maintenance of the Union, and all its laws, than I have been.

Mr. LATHERS, of Charleston: The gentleman from New York, (Mr. CHITTENDEN) has made a great mistake. He has intimated to the Board that the merchants of Charleston desire something entirely different from what they have asked you for through me. I hold in my hand a letter of instructions, signed by the President of the Charleston Board of Trade, which is composed almost entirely of jobbers. The President, Mr. FLEMING, is a merchant of forty years standing, who understands his business thoroughly, and he has made a good deal of money. He has been in the habit not only of going to New York, and selecting from the stock of my friend, who has spoken, and of other good merchants there, but sometimes he has visited Philadelphia and Boston, and he has found that by having these large markets to select from, his purposes have been served much better than they would have been by having a gentleman call at his place of business as the representative of a single firm.

However, I think that the attention of the Board has been drawn off from the doctrine which some gentlemen have assumed to lay down here, and which led to my previous remarks. We do not object to having any number of runners or locomotive merchants, or whatever you please to call them, come to our State, but we want them to bear exactly the same burdens that the local merchants bear, and then they will not be able to undersell them. It was stated by

one gentleman, I think from Philadelphia, that the local merchant would be undersold, and therefore he was jealous. 'Of course he would be undersold.' If a local merchant has to add one or two per cent. to the expense of doing business, and a stranger may come in and transact business without charge, of course he will be undersold.

But it has been said that these drummers pay taxes at home; that is very much as if a man should come to my house and propose to eat my dinner, and comfort me by telling me that I might pay the butcher's bill, because his wife paid a butcher's bill at home. (Laughter.) I want the Board to understand that our objection is, that this system is prejudicial to the local trade of the South. I am very glad to hear one admission. A gentleman says, that if these drummers sold directly to the consumers, that would be an evil. What do they do? They sell to the small country merchants who sell directly to the consumers, and thus utterly overthrow the jobbing trade in the larger cities of the South, and it is these only which are represented in this body. I beg you to consider this, not as a question of free trade, for we are not on that subject, but it is whether men shall go into the cities and towns of the several States and not be compelled to bear the same burdens as the traders who permanently reside in these cities and towns.

Mr. KIRKLAND, of Baltimore: Approving strongly of the resolution on the programme as presented by the Philadelphia Board of Trade, I must vote against endorsing this bill which, as presented in Congress, directly strikes at all the rights of the States in regard to local taxation. And not only does it do that, it goes further; it says that no State, municipality or corporation, shall pass laws prohibiting the sale of any article. Now we know there are municipalities that have local laws in regard to the sale of kerosene and powder; and certain States have adopted what is known as the Maine Liquor Law. There are various principles involved in this bill, which directly strike at all State rights, and obliterate all the powers of the States in reference to domestic taxation. No man would go further than myself in regard to free trade; but what I mean by free trade is precisely what my friend from New York, (Mr. CHITTENDEN,) so plainly expressed. I do not mean to say that this government can get on without a tariff, but we want trade as unshackled as possible; and we want all laws in regard to taxation to be made for the general good of the whole country. That is what I mean by free trade, and not special legislation for this particular interest or locality, or for that, to the detriment of other interests and other sections of the country. We must have a tariff that will produce a large revenue, but we

want it framed in such a way as will do the least injury to the country as a whole. So it is in regard to these local laws allowing municipalities to make regulations for their own trade. I do not think Congress, under the Constitution, has power to say that no State has a right to regulate its own local taxation. If the people of any community are so blind to their own interests as to build up a fence around them, as the gentleman from Philadelphia, (Mr. WETHERILL,) says, it is not within the province of Congress to say they shall not, and so, while approving of this article upon the programme, I must vote against the bill of Mr. CONNOR.

Mr. RANDOLPH, of Chicago : It seems to me the utterance of this Board at Richmond, which was in substance, to request the several States to take action to abolish these licenses, is quite sufficient. While I am not a State Rights man, as the term is ordinarily used, I think this proposition goes too far. Believing that the subject has been sufficiently discussed, I now call for the previous question.

Mr. HOLTON, of Milwaukie : Will the gentleman withdraw his motion for a moment to enable me to make an explanation.

Mr. RANDOLPH : Yes, Sir.

Mr. HOLTON : I have no intention of discussing this question, having expressed my views very briefly at Richmond upon it. But the gentleman from Philadelphia seemed to reflect a little upon my vote in the Board last year as inconsistent with my subsequent conduct. I voted honestly on that subject, and when the Secretary enclosed to me the memorial of the Board addressed to the legislature of my State, I took upon myself the duty of going to the legislature with it and of presenting it in form to the Chairman of the Committee on Federal Relations. We found then, upon examination, that all the States had laws of this kind in regard to commercial travellers, and that the State of Wisconsin was probably the most liberal among them ; that it simply exacted a small sum for a license, that should be operative in every part of the State, which was less onerous than any that I saw on the statute books of any other State. I have not been derelict in my duty. I have come to the conviction that the bill before Congress is the legitimate and direct way to cure the evil, which is so ramified and so diffused over the country. I think these local laws are in contravention of that clause in the Constitution of the United States which gives to Congress the exclusive right to regulate commerce among the several States. As I understand it, it is under that provision of the Constitution of the United States that the bill which has been read here has

been framed ; and in view of the number and variety of those State laws, I should be happy to see the whole question solved in the manner proposed by the bill which we are called upon to endorse.

Mr. SEALY, of Newark : Reference has been made to New Jersey, and as there seems to be a little odium, (I think wrongly,) attaching to some things in connection with that State, I desire that little New Jersey should have credit where she deserves it ; with reference to local licenses or restrictions upon trade, I think New Jersey stands pretty fair on the record, as she requires no license at all except for peddlers, and agents for commercial houses are not held to be peddlers.

I hope the resolution, as presented, will prevail. It seems to me that this National Board of Trade should not stultify itself by going back on its previous action. I find that at the last annual meeting a similar proposition was carried by a majority of forty-four to twelve. Now, it seems to be discussed as a new thing, and gentlemen hesitate as to whether this resolution should be passed, when the Board has already given its judgment upon the principle embraced in it.

I think the gentleman from South Carolina, (**Mr. LATHERS**,) and other gentlemen somewhat misunderstand the scope and effect of the proposed action of this Board. I do not believe that these drummers sell directly as has been stated to the small traders of the State. They sell to the jobbers, who, as has been remarked by **Mr. CHITTENDEN**, in nine cases out of ten, are glad to receive calls from these gentlemen, at times when they know what they want and the kinds of goods called for.

In regard to the general question of free trade, that is a myth ; no one advocates free trade ; there is no nation that practices it, that I know of. When that question comes up, distinctively, it will be time to discuss it. This Board, however, may safely recognize the great principle laid down in standard works on political economy, that within the limits of a nation, trade should be as free as air ; but in regard to international free trade, the time has not come for that. Perhaps in the good time coming, to which we are all looking forward in this progressive age, it may be adopted. Theoretically, it is right that free trade should be the rule of the world, internationally as well as within individual nations. I hope, so far as local licenses are concerned, that they may be swept away as among the obsolete things of the past, which are a disgrace to the age in which we live.

Mr. RANDOLPH of Chicago moved the previous question, which was ordered.

The yeas and nays were called and resulted as follows :—

Yeas : Messrs.—

Ballou,	Gano,	Malone,	Stranahan,
Bonner,	Goshorn,	Morris,	Swift,
Brown,	Grubb,	Ober,	Turpin,
Chittenden,	Guthrie,	Opdyke,	Wessel,
Comly,	Heald,	Phillips,	West,
Cooper,	Herron,	Roe,	Wetherill,
Dater,	Holton,	Sealy,	White,
Dodd,	Husted,	Shryock,	Young — 38
Foster,	Johnson,	Sneath,	
Fraley,	Lippitt,	Stanard,	

Nays : Messrs.—

Able,	Cummings,	Marsh,	Shurtleff,
Allen,	Davis,	McPherson,	Smith,
Bagley,	Gunther,	Plumer,	Taylor,
Brannan,	Hazard,	Prindiville,	Thompson,
Buzby,	Kirkland,	Randolph,	Verhoeff,
Collier,	Lathers,	Ropes,	Vinal,
Cook,	Libby,	Russell,	Williams — 28

Two-thirds not having voted in the affirmative, the proposition was lost.

When the name of Mr. TAYLOR, of Cincinnati was called, that gentleman asked : The resolution calls upon Congress to legislate, does it not ?

The PRESIDENT : Yes, Sir.

Mr. TAYLOR : Then, Sir, I will vote against it from now to next Christmas.

Mr. ROPES, of Boston, before answering said : I must be allowed to explain my vote. I am in favor of the article as it stands upon the programme, but upon the resolution now before us, I must say no.

Mr. SNEATH, of San Francisco, also made an explanation. He said : I should like to explain my vote. The State of California is entirely free from any such restrictions, notwithstanding the statement in your Report. I shall therefore vote yea.

Mr. OPDYKE, of New York : The members of the Board have probably noticed in the public journals of to-day and yesterday, that General HIRAM WALBRIDGE died suddenly in the city of New York, yesterday. You are aware, Sir, that he has been one of the active members of this Board, from the date of its organization until the present time. We have all known him as a generous, kind-hearted, public-spirited, patriotic citizen ; as a gentleman of great intelligence and untiring activity ; and as one who devoted all the energies of his mind, not to personal, but to public interests. He has been an invalid for many months, although his friends have been not without hope that he would recover ; and he had arranged to leave for California towards the end of last week. On the very day preceding his intended departure, his disease took a new and alarming form, and after three days of suffering it ended in death. In view of the sad event, I offer for the adoption of this Board, the following resolution :

Resolved, That this Board has learned with sincere sorrow of the death of its late distinguished associate, the Hon. HIRAM WALBRIDGE, in whose death our country has lost one of its most public-spirited and patriotic citizens.

Mr. THOMPSON, of Baltimore : I move that the vote be taken by rising.

Mr. WETHERILL, of Philadelphia : The National Board of Trade having lost one who has been a member from its commencement, aye, more than that, from its very incipency at Detroit, it would hardly be in accordance with my feelings, and with those of my colleagues here, to allow this resolution, in reference to his death, to be passed without the utterance of a single word except by its mover. No one hereafter will recall any subject of importance passed upon by this Board without, I am sure, connecting therewith the name of General WALBRIDGE, identified as he was with the discussion of every measure, prominent or otherwise, which has been acted upon by us. I can recollect distinctly, Sir, a year ago at Richmond and two years ago at Cincinnati, the broad and comprehensive views to which he gave expression, and his able advocacy of important public improvements. His vision was not a short-sighted one. He looked forward with confidence and with bright anticipations to the future glories of this country, and by his voice and vote he did what he could to develop its resources, and to bring the people of the remote West into closer connection with the people of the East. I believe it is to his labors, to his interest, to his energy, that we are in a great

measure indebted to-day for one, two, aye, perhaps three of the greatest railway projects of the age. This work he performed honestly and purely, and much of it he did in the midst of us here. It is, therefore, most fitting that this resolution to his memory should be proposed.

The resolution was unanimously adopted by a rising vote.

The Board then adjourned to Friday morning at nine o'clock.

THIRD DAY.

FRIDAY, DECEMBER 9, 1870.

The Board met at nine o'clock, the President in the chair.

Prayer was offered by the Rev. D. H. MULLER, of Buffalo.

The journal of yesterday was read and approved.

The PRESIDENT : I am directed by the Executive Council to report the unanimous election of Mr. HAMILTON A. HILL, of Boston, as Secretary and Treasurer of the Board for the ensuing year.

I am also directed to report that the Executive Council recommends St. Louis as the next place of meeting.

Also, that the Executive Council have considered the proposition, No. 1, on the programme, referred to them, and have agreed to recommend a change in the Constitution in reference to the basis of representation, so that, after a Board has reached the number of five hundred members, three hundred additional will entitle it to an additional delegate,—instead of five hundred, as the section now stands ; this is a proposition to amend the Constitution in another article than that which has been notified to the constituent membership, and cannot, therefore, be acted upon at this meeting. It will therefore be postponed until next year and will appear on the programme for our next meeting.

RESTRICTIONS UPON INTERNAL TRADE.

Mr. ROPES, of Boston : I have a motion to make in regard to a subject which was acted upon yesterday. I think a large majority in this Board would have been glad to support the resolution in regard to restrictions upon inter-state commerce, which was placed upon the programme, simply expressing our disapproval of all restrictions upon internal trade, and all discriminations against

citizens of one State passing into another State. I move, therefore, a reconsideration of the vote by which we appeared to negative that principle, but by which we really negated an approval of the stringent bill which it was proposed to recommend to Congress, and which I, as well as many others, could not vote for. I hope we may reconsider our vote, and then substitute a general declaration of the principle, in which I think we are all agreed, for that particular bill, which we were unable to vote for.

The motion to reconsider was carried.

The PRESIDENT : The resolution is again before the Board.

Mr. GRUBB, of Philadelphia : I offer the following resolution as a substitute for the resolution proposed yesterday :

Resolved, That the Executive Council of this Board be requested to renew its efforts for the common abandonment of all restrictions upon internal domestic trade, and the abrogation of all laws discriminating against non-resident traders or agents, whether enacted by municipal or State authority.

The resolution was passed unanimously.

Mr. SHRYOCK, of St. Louis : I desire to offer a further resolution on the same subject.

WHEREAS, During the ensuing winter the legislatures of the several states will hold their annual sessions, and inasmuch as it is very important that they should be apprised at once of the action of the National Board of Trade, in relation to State and municipal taxation levied upon non-resident traders ; therefore, be it.

Resolved, That the Secretary of the National Board of Trade be requested to forward the action of the Board to the legislatures of the several States, also to the Boards of Trade and Chambers of Commerce in the several States, and that they be requested to urge the repeal of said laws at as early a day as possible.

After a brief discussion this was adopted.

Mr. SHRYOCK, of St. Louis moved to take immediate action on the recommendation of the Council in relation to the place of meeting next year, and this

having been agreed to, he cordially supported the recommendation to hold the meeting at St. Louis, and assured the Board that it would be heartily welcomed there. The Board voted unanimously to hold its next meeting in St. Louis.

VIII. A GOVERNMENTAL DEPARTMENT OF COMMERCE.

That the Board would again urge upon the attention of Congress the importance of establishing a department of commerce in the General Government to have the cognizance of all matters relating to foreign and domestic trade and transportation.

The resolution was unanimously adopted, without debate.

IX. FRANKING PRIVILEGE.

Resolved, That in the judgment of the National Board of Trade, the immediate and unconditional abolition of the franking privilege in the United States, as recommended by the President and the Postmaster-General, would be a wise measure of national economy, and would greatly promote the efficiency of the postal service.

Resolved, That the Executive Council be instructed, and all the constituent bodies be invited, to memorialize Congress in favor of this reform.

Mr. CUMMINGS, of Boston: I do not think that any argument need be presented here to secure the unanimous adoption of these resolutions. The evils which have grown up with the franking privilege in this country, and the history of similar evils under the British Government, from which we copied the system, are sufficiently familiar to the members of this Board.*

*It will be interesting to refer to the history of the franking privilege in England, we in the United States having received it from that country. The privilege of franking letters by knights and burgesses chosen to represent the Commons in Parliament, began with the creating of a Post-Office by act of Parliament. According to Mr. LEWINS, the Historian of the British Post-Office, to whom we are indebted for the facts condensed in this statement, the proviso which secured this privilege to members, cannot now be otherwise regarded than as a propitiatory clause to induce the unanimous approval of the general bill for the establishment of the Post Office, which was passed under the Commonwealth, in the year 1656. From

The Postmaster-General, in a communication addressed to the President of the Senate, on the 26th of February last, presented in substance, the following statement of facts:

That the total number of government officials exercising the franking privilege, including members of Congress, heads of departments and their assistants, internal revenue officers and postmasters, is thirty-one thousand, nine hundred and thirty-three; that if postage at regular rates were charged and collected on the free matter sent from all the post-offices of the United States, the aggregate for the year 1869 would probably have been not less than two million, four hundred thousand dollars; that the history of the postal department under the British Government has plainly shown that the system cannot be reformed: the people there having repudiated the idea of reformation, being convinced that no reformation could be carried out, that would cure the evil, and that nothing less than the abolition of the franking privilege could abate the abuses growing out of it; that in the language of another, "there is no middle ground between no franking and boundless franking;" and that the popular demand for a general improvement in the postal service of the United States is universal. The two cent rate in the United Kingdom of Great Britain and Ireland, without the franking privilege yielded an income, greater even, than the three

the report of the discussion at the time, it would seem that many of the members had serious scruples, as men of honor, about voting this perquisite to themselves. Sir WALTER EARLE proposed that "members' letters should come and go free during the time of their sittings." Sir HENEAGE FINCH, (afterwards Lord Chancellor FINCH) said indignantly, "It is a *poor mendicant* proviso, and below the honor of the House." Other members however advocated the measure, and the tide of feeling had evidently turned in its favor, when an unexpected difficulty arose with the speaker, Sir HARBOTTLE GRIMSTONE, who, when the question was called, refused for some time to put it, saying, "*he felt ashamed of it.*" The proviso was eventually put, and carried by a large majority. When the Bill was sent up to the Lords, they threw out the franking clause, ostensibly for the same reason which had actuated the minority in the Commons in opposing it, but really as it was confessed some years later, because there was no provision made in the Bill that the Lords' own letters should pass free. A few years afterwards, this important omission was supplied, and both Houses had the privilege guaranteed to them. It was not long before the restrictions which had been laid in reference to the nature of the correspondence thus franked, and the time during which the privilege might be exercised, while Parliament was in session — were removed, and abuses set in, which it was found impossible effectually to control. The forging of members' franks became so general, that, in 1763, an investigation was ordered, and the fact, among others similar to it, was brought to light that one man had in the course of five months, counterfeited twelve hundred dozen of them, and was rapidly enriching himself at the public expense. In 1764, Parliament enacted that

cent rate of the United States, with the franking privilege. If the number of letters, and the revenue to each person in the United States had been as great in 1868, as the number of letters and the revenue to each person in the United Kingdom, the gross postal receipts for that year in the United States would have been thirty million, eight hundred and seventy-nine thousand dollars, or nearly double the actual receipts.

The Postmaster-General in his annual report just issued, refers to this subject again in the following language :

“ In my annual report of December, 1869, and in my letter dated February 26, 1870, addressed to the Hon. SCHUYLER COLFAX, in reply to two resolutions of the Senate asking for information, I had the honor to present my views at length concerning the franking privilege. In both those communications I argued against the longer continuance of that evil, and earnestly recommended its immediate and absolute repeal. My experience in the administration of the Post-Office Department for the past year has strengthened my convictions, and has induced me again to call the attention of Congress to the great abuses which have grown to be a part of the system, and to the uncompensated burdens which it imposes upon the service. I am thoroughly satisfied that if the franking privilege were repealed, and

no letter should pass free through the Post-Office, unless the whole address was in the member's own handwriting, and his signature attached likewise. Even these precautions, though lessening the frauds of forgery, were not sufficient to meet the evil, as fresh regulations were thought necessary in 1784. This time it was ordered that all franks should be dated, the month to be given in full ; and further, that the letters should be posted on the date given. In 1795, it was ordered that franked letters were only to carry one ounce, and were only to pass free when posted within twenty miles of the place where the member concerned was on that or the preceding day. Further, no more than ten letters could be sent, or more than fifteen received, by one person in one day. From that time, 1795, to the date of penny postage, the quantity of franked letters increased enormously, and the abuses increased with them, yet no further change was made in the law. Members throughout the country signed huge packets of covers at once, and supplied them to friends and adherents in large quantities. Sometimes they were sold. In 1838 the number of franks which actually passed through the Post-Office was estimated at seven millions, and the postage at the regular rates of that day, had it been collected on these letters, would have added nearly a million sterling to the Post-Office revenue of that year.

When the beneficent measure of penny postage was carried in 1840, in accordance with the views of the great Post-Office reformer, ROWLAND HILL, the franking privilege in Great Britain was absolutely and completely abolished ; and the Sovereign now attaches a stamp to every letter which she despatches through the mails, as does the humblest of her subjects.

all matter passing through the mails charged with its fare share of postage, the Department would, in a short time, become self sustaining. This assertion, when made heretofore, was warmly denied, and nothing was left but a resort to a demonstration by figures. As has been already stated, the deficiency for the last year has been reduced to two million, eight hundred and fourteen thousand, one hundred and sixteen dollars and ninety-eight cents. Accurate accounts of the cost of free matter dispatched through the mails were ordered to be kept by all postmasters, for the six months beginning 1st January, and ending 30th June last, and the returns which have been received are now being arranged and tabulated for submission to Congress. I regret that, owing to numerous inaccurate and incomplete returns, and the failure of many postmasters to make any report, it has been impossible, with the limited number of clerks employed in the Department, to present the results in detail with this report. Enough is known, however, to enable those who are most familiar with the work to express the opinion that the actual returns will show the aggregate cost of free matter for the year to be fully equal to the above-mentioned deficiency. The term during which accounts were kept was confined to the first half of the year, when few elections were held, and when only a small portion of the public documents are transmitted. Should the amount of franked matter be accurately ascertained during a presidential canvass, and subjected to the postage charged upon other like matter sent by private individuals, I am convinced that the average cost per annum would be greatly enhanced.

“My anxiety to make the Department self-sustaining arises from a strong desire to reduce, equalize, and make uniform the rates of postage. During the year 1870, the amount derived from letter postage was sixteen million, seven hundred and seventy-one thousand, nine hundred and twenty-eight dollars and seventy cents, and the amount from newspapers and pamphlets was only nine hundred and thirty-four thousand, three hundred and thirty-two dollars and ninety-nine cents; and yet the weight and bulk of newspaper mails are at least nine or ten times greater than those of letter mails. This shows that while newspapers are charged much less than the cost of their manipulation and transmission, letters are charged much more, and that the postage on letters should in fairness be reduced as soon as the finances of the Department will permit. If letter postage could be reduced from three to two cents, I am sure that the increased correspondence thereby stimulated would in a few years compensate for any temporary loss of revenue, and that many

mistakes and vexatious delays would be avoided by the uniform rate for all distances which would thus be established. I despair, however, of securing any further reduction of letter postage as long as the franking privilege shall be permitted to impose upon the department an irremediable deficiency."

The Postmaster-General then goes on to explain that he does not favor an increase of postage on newspapers.

As I have said, I believe no argument of mine need be urged before this Board to secure the unanimous passage of these resolutions as presented by the Boston Board of Trade.

Mr. ALLEN, of Philadelphia: I am in favor of this proposition and will vote for it with my whole heart and soul, but I would suggest that there is a vast amount of correspondence carried on between members of Congress and their constituents, who write to them on every possible subject; would it not be well that a certain annual sum should be allowed to the President, the heads of departments, and the members of Congress, for the purchase of stamps?

Mr. CUMMINGS: I believe that the Queen of England is required to put a stamp upon every letter she sends, the same as any private citizen.

Mr. ABLE, of St. Louis: I am sorry to say I cannot agree with the gentleman from Boston, that this Board should vote for these resolutions, because I think the franking privilege is a thing that redounds to the benefit of the people of this country, more particularly than to any special class. It is a means of education to them, and of acquiring information from their representatives in the legislative department of the government. It would have been much more wise, if I may say so, with all due deference to their high position, in the President of the United States and the Postmaster-General, to recommend a modification of the franking privilege rather than its total abolishment. It does not accord with my views of republican institutions to lay any stress upon the fact that this system has failed in England. I think that in many ways we have improved here upon both the legislation and the administration of that country; and although I do not deny that abuses have grown up with this privilege, still, I think, if you cut it off entirely you will find that the knowledge of the people as to what their legislators are doing, will be very slight, because the press of the country depend now upon the telegraphic reports, and have stopped almost entirely printing in full the proceedings of Congress, so that it is very rarely that a speech is printed in the newspapers, unless it is the speech of some man of great

national reputation. For this, among other reasons which I might enumerate, I shall give my vote against the resolutions. I think the system has many features which commend it to the favorable consideration of a republican people; this government is a government of the people, and if you spend the money in educating them to a better knowledge of their own government, I think it is well and justly spent.

Mr. RANDOLPH, of Chicago : I agree very much with the sentiments expressed by my friend from St. Louis. I suppose the country is agreed unanimously that the franking privilege has been greatly abused, but I concur with him that it is productive of many benefits. I do not think it is fair to assume, as the Postmaster-General seems to do, that if the franking privilege were abolished, all the mail matter which passes now through the post-office under it would then pay postage; and hence the figures of profit and loss which have been arrayed against the system are of but little account. I do not think that members of Congress would pay out of their own pockets two millions of dollars a year to make up the deficiency which is caused in the treasury, as it is said by the use or the abuse of the franking privilege. Very much of the information which is communicated to the people by means of the franking privilege, but for it would not be communicated to them.

Without detaining the Board to discuss the matter, I will move an amendment to the resolutions now pending, so that the first of them will read as follows :

Resolved, That in the judgment of the National Board of Trade, a modification of the franking privilege in the United States would be a wise measure of necessary economy, and would greatly promote the efficiency of the postal system.

That, it seems to me, would be one step in the right direction.

Mr. ROPES, of Boston : I agree with the last speaker, that one step in the right direction is a good thing, but I am forced to believe that two steps in the right direction, or, what is equivalent, a longer step, would be better still. It is true, and we are all agreed upon it, that the franking privilege has been grossly abused. It is also true, that it is very desirable that there should be some communication between the members of Congress and their constituents, though I must say, that I think one of the greatest evils of our present condition grows out of the fact that members are so manipulated by their constituents, and so anxious to pass measures for the

benefit of their constituents, that in many cases the nation's welfare is lost sight of and we have the unseemly spectacle of a discordant body representing conflicting interests, each striving to make the most out of the others, instead of a body of united legislators, all striving to do their best for the general welfare.

I do not think, as a general thing, that the members of Congress derive much benefit from the letters they receive from their constituents, and I am very sure that their constituents derive no benefit from what they receive under the franking privilege from them. It has been my fate to receive a great many unwieldy documents, and, above all, speeches of members of Congress, which they have done me the honor to frank to me ; and not one in ten, I think, I may say, not one in an hundred was worth the paper it was printed on or the expense of carriage, and in no case, I think, were they worth the amount of eye-sight which it cost me to read them. As has been already said, the difficulty can be met by a special provision of law, which can be made by Congress. The members of Congress are now allowed, on an extremely liberal scale, for stationery, which includes an enormous variety of items, and in which might also be included an allowance for postage ; and then if a member chooses to send a band-box to his wife, let him do so, but let him understand that the postage thereon exhausts so much of his appropriation.

It is perfectly evident that we can only remedy this evil by laying the axe at the root of the tree. As to the amount of education which the people of this country derive from the communications which they receive from Washington, I am free to say, that I believe it to be so infinitesimally small, that any appropriation which shall be made to any member of Congress, will be more than sufficient to cover that. We are educated by the press. All that is worth reporting in Congress is reported in the newspapers ; and if the members were prohibited from sending their documents by the bushel over the land, the press would take more pains to disseminate what is really worth disseminating in their speeches through the country. The evil goes on perpetuating itself. They make absurd, foolish and ridiculous speeches for the sake of having them read at home or the pleasure of seeing them in print, and this whole thing constitutes one of the greatest abuses which exist in this country. I hope we shall vote unconditionally for the abolition of the whole thing, and then let Congress make such appropriations as are necessary to enable members of Congress to correspond with their constituents.

Mr. CHITTENDEN, of New York : If I understand this question, it is not at all whether members of Congress will pay two or

three millions of dollars a year for postages, but whether the nation shall be taxed to send their documents by post, which for the most part, as has been suggested by the last speaker, are mailed with purely selfish intentions. As I understand it, the post-office department and the people of the United States are taxed to carry an immense number of private documents for members of Congress. Not to detain the Board, I wish to say in a single word, that it seems to me in this we have one of the most singular evidences of selfishness on the part of members of Congress, to be found in the records of the nation. It has come to this pass that they print and circulate that which is calculated to promote their own re-election and other purely personal objects. If this is not the true aspect of it, why is it that our President and Postmaster-General, in whose integrity we all believe, have unqualifiedly recommended the abolishment of the privilege? For my part, I hope that unless we can support them by the adoption of these resolutions as they stand, which I can do most conscientiously, we shall lay the whole subject upon the table. For us, without the experience and knowledge which these officials have on the subject, to set ourselves against them, would seem to be very unfortunate to say the least.

Mr. ABLE: I believe there is an erroneous impression existing about the power of members of Congress and officers of the government to frank private documents. As I understand it, the postmasters throughout the country are instructed not to receive, under the frank of a member of Congress, anything weighing over two ounces. The law has been modified to that extent since it was first enacted, and it can be modified still further.

In answer to what has been said about the trash which members of Congress send over the country, I think it is true that they do send some trash, but they also send a good deal that is valuable. What is true of the Congress of the United States is true also of every other deliberative body; there is a good deal of trash in their proceedings. Again, in regard to our endorsement of the President and of the Postmaster-General, while I respect their official positions very highly, and themselves also, as highly as any one on this floor, I would ask whether it might not be that their recommendation of the abolishment of the franking privilege is prompted by a desire on their part for re-election. Must all this obloquy in connection with such a motive fall upon the members of Congress? I think not. I think the President is as anxious to be re-elected to his place as is any member of Congress, and this may be equally true of the Postmaster-General; so that point in the argument falls to the ground. I think the law, as it now

exists, is in accordance with the spirit of our free institutions, and therefore I will state again that I would very much prefer to ask Congress to so modify the law as to remove the abuses which now attend it, rather than to ask the entire abolition of the law. We do not abolish everything in this country that does not suit us. We modify our constitution, we repeal bad laws, and we enact good ones. We do not annul all legislation because some measures may be unpalatable to us; and I hope this Board will not recommend the abolishment, at one fell swoop, of this practice of the Government, which has stood from its foundation, because it does not work in all respects to suit us.

Mr. OPDYKE, of New York: The gentleman from Boston (Mr. ROPES) has expressed my sentiments with entire accuracy in regard to the proposition now before this body. Every consideration, it seems to me, demands the total abolition of the franking privilege. The only good that has come out of it, is to give the representatives of the people an opportunity to correspond with them freely, and to send them documents to enlighten them upon the action of Congress, without expense. If the matter could be kept within that limit, no one could find fault with it; but that object can be just as well obtained by an appropriation by Congress for that purpose, as by continuing the franking privilege; and, by so doing, members of Congress will be put upon an equality, as is clearly right and proper. But what I object to, and what the people of this country object to, is the gross abuse of the privilege. It is within my knowledge, that the crowd of lobbyists who besiege Congress, have that privilege extended to them through the various members to an unlimited extent, and send out documents, not to enlighten the people, not to aid in legislation, but to aid in forcing through some pet scheme, that will put money into the pockets of individuals. Again, Sir, it is abused grossly in the political organizations of the country. Every political organization that desires to compass an end sends for its member of Congress, and demands of him that he frank whatever they wish to send forth. It was never in the contemplation of the law to do anything of that kind, and it is altogether demoralizing. All the objections I have heard urged against the total abolition of this privilege, seem to me to have been answered by the argument of the gentleman from Boston, and I will do no more than express the hope that the proposition, precisely as presented, will receive the sanction of this Board.

The question being put, the amendment was lost, and the resolutions were agreed to.

X. PUBLIC LANDS.

WHEREAS, Two conditions are necessary to render a Government permanent, namely:

First. That the people shall share the responsibility of making and executing the laws; and,

Second. That there shall be a widely distributed ownership of the landed property; and,

WHEREAS, In this country, we have been fortunate, so far, in realizing both conditions, yet there is a possible danger in the future, from the rapid accumulation of large tracts of land, in the hands of individuals and corporations; and,

WHEREAS, Some check may be put upon this danger, or, at least, its approach extended far into the future, by a proper division of the public lands into moderate sized farms; therefore, be it

Resolved, That the giving away of one hundred and eighty-two millions of acres of the public lands to railroads, by the Government, has created a dangerous precedent that should cease; and it is the opinion of this Board, that the public lands should be disposed of *only to actual settlers*.

Mr. SHRYOCK, of St. Louis, proposed that proposition No. XXIV, relating to the construction of another Pacific railroad, and involving to a certain extent, the same questions with regard to grants of land, should be considered with this, but the Board refused to concur.

Mr. SEALY, of Newark: This preamble and this resolution have been adopted by the directors of the Newark Board of Trade unanimously; they were introduced into the open Board, and, after due consideration, they were passed unanimously there.

I was glad to find, on looking over the proceedings of the National Board at its last annual meeting, which I read with great interest, that in the discussion of a question involving this subject, the very sound and conservative views of Mr. CHITTENDEN, of New York, and Mr. TAYLOR, of Cincinnati, were the prevailing views on that occasion. I believe they were eminently proper views, and such as should prevail in a body of this character. This is nothing but a recommendatory, or advisory body; the power that it is to wield in reference to commercial matters will be measured by the wisdom and

discretion, and I do not know but I may add, the sound conservatism of the views expressed by it. While a great deal of odium attaches to the word conservatism, it is an eminently fitting and proper one to be used in connection with the disposition of our public lands, and I think this is the general feeling through the country. I doubt very much whether public opinion has ever fully acquiesced in those large appropriations of the public lands, to the amount as stated in the resolutions, of one hundred and eighty-two millions of acres.

In reference to what may be proposed in regard to the Southern Pacific railroad, I for one would not say a word in opposition to whatever even-handed justice on that subject may require. It was in contemplation on the part of our National Legislature that three great roads should be opened to the Pacific coast, and one of them having been built by large subsidies of land and money, and a subsidy of fifty-five million acres having been given to the Northern Pacific company, it would seem to be unjust, in passing this resolution, to shut out what may justly be called for in reference to the Southern Pacific road.

I objected in our Board to laying down any general principle that would amount to advising or seeking to impress upon the public, that not another acre should be voted to Pacific railroad construction, but, as has been said, this proposition sets forth a general principle. I know that, with the almost boundless territory possessed by our nation, stretching from the Atlantic seaboard to the Pacific, and prospectively from the icebergs of the Arctic ocean to the orange groves of the sunny South,—I know, I say, that with this vast domain on our hands, no pressing necessity may be felt by many to exist for giving heed to this subject at all. But the seeds that bring forth bitter fruit are sown long before the fruit appears, and we are beginning to discover that this question of the division of land is a very important one. The great peril threatened to this country to-day is in connection with the enormous land holdings now in existence. It is said that some half a dozen men own half of the land of England, and not more than half a dozen the whole of Scotland; while all the land of Great Britain is in the hands of thirty thousand people, with the number constantly decreasing. Now, this had a beginning. When WILLIAM the Conqueror divided the land of Great Britain among his retainers, probably the seed was sown for this state of things; and although it is not a question with reference to us, which is as yet deeply felt, yet I believe that a sound public sentiment upon it is beginning to develop itself, and I doubt very much whether any action of this Board advising the giving away of

millions of acres of the public domain would find a responsive chord in the public mind.

Mr. WEST, of Milwaukie : It is not a fact, as intimated in this preamble and resolution, that the granting of public lands to aid in the construction of railroads through unsettled territory, conduces to the concentration of large tracts of land in the hands of individuals, or in the hands of corporations, except temporarily, until they can dispose of them to actual settlers. It is well known that had it not been for the policy of encouraging the building of railroads through our Western territories, large tracts of land which to-day are thickly settled, and adding immensely to our commerce, would still be an unsettled wilderness. Whenever lands have been donated to railroads to aid in their construction, they have soon been offered in the market at low prices, or on easy terms to actual settlers. Who does not know that it is better for the settler in a new country, to pay two or three dollars an acre for land, situated near the station of some railroad, than to go back fifty or one hundred miles, and take land as a gift from the Government, where he has no prospect of an outlet for ten or perhaps twenty years. In one year after he gets his farm open, situated near a railroad, he saves enough in the transportation of the products of his farm, to more than supply what he has to pay for his land. You can see by reference to any of the papers to-day, that those railroads that have recently had lands given to them for the purpose of aiding in their construction, are now advertising their lands for sale, and encouraging settlers to come and occupy, as free homesteads, other lands contiguous to them. The Northern Pacific railroad has already organized emigration societies to induce emigrants to come and settle the country.

Previous to the inauguration of this system of granting aid to railroads, we saw a great deal of land pass into the hands of speculators. Men of capital would go into the Western country, and enter large tracts of land, and hold them for years, excluding actual settlers; they were looked upon by the settlers as little better than robbers, and in many portions of the country they were not safe in travelling through the territory owned by them.

It is my opinion that the public lands are only valuable as they can be utilized, and made to provide homes for actual settlers, and they are of far more value to the whole community, when given away in such manner that they will be immediately occupied, than when held to be sold at some small price hardly covering the expenses of the sale, as used to be the case.

Taking this view of the subject, I wish to offer as a substitute for the resolution the following, which, with your permission, I will read :

WHEREAS, The great value of our public domain consists in our being able to utilize the same by actual settlement, thereby developing its resources and furnishing homes for our people ; and,

WHEREAS, The same can be accomplished in no way so rapidly as by building lines of transportation and communication across the same ; therefore be it

Resolved, That the donating of a portion of the public lands along the line of contemplated railroads or canals through the same, under proper restrictions, requiring the disposal of the same to actual settlers at a limited price and in limited quantities, is for the best interest of the whole country.

Mr. KIRKLAND, of Baltimore : You will remember, Sir, that the tenor of the preamble and resolution offered by Mr. WEST is in perfect accord with the action of this Board, both at its session in Cincinnati and at Richmond. The sentiments expressed in this preamble and resolution run through all the discussion at Richmond and are embodied in the action of the Board on this subject. It is a well known fact that these lands have no value while inaccessible. It is well known that the Government, in donating lands to these Pacific railroads, has imparted a value to every acre of land lying contiguous which it did not have before. As a question of national economy, therefore, it is adding to the wealth of the country to aid in the construction of railroads by means of these lands, now valueless.

The first illustration of the value of granting lands to railroads on a large scale was in the case of the Illinois Central railroad. The donation of lands to that railroad has probably done more to increase the wealth and population of Illinois than any other action of the Government in connection with aid to railroads has done elsewhere. Those lands were sold to actual settlers, without money. The railroad company sold the land on credit, and the first payments made were in corn that the settlers had grown on the land—thus furnishing at the same time payment for the land and transportation for the road. What a beautiful illustration of a wisely economic policy.

This aid has been granted to the Union Pacific railroad and the Northern Pacific railroad, and now it is in contemplation to grant similar aid to the Southern Pacific railroad. Would not the passage of this resolution nullify and go back upon our past action ? Would

it not say to the Government, "Stop! Don't give an acre of land to the Southern Pacific railroad. Let the company build its road without any Government aid in the form of a land donation?" Will this Board recede from the position it has heretofore so well maintained on this subject? I should dislike to see the preamble and resolution presented from Newark, prevail, because I think it would then be inconsistent for the Board to recommend, as proposed in the twenty-fourth article on the programme, a government grant of land, to the Southern Pacific railroad.

With these few words I will say that I hope the preamble and resolution presented by the gentleman from Milwaukee, (Mr. West) will meet the hearty approval of this body.

Mr. BUZBY, of Philadelphia: When I first read this programme, I found nothing in it that pleased me better than this proposition from the Newark Board of Trade. I might wish to change the order of the first "whereas," because I think a more logical sequence would be promoted thereby. I would have it read: "Whereas, there must be a widely distributed ownership of landed property, in order that the people shall share the responsibility of making and executing the laws," etc. I think that that amendment would be an improvement, but there is not a single word in the whole proposition submitted, which ought not to receive the cordial assent and the positive endorsement of this National Board.

Now, Sir, in every part of the country, where railroads are recognized as obvious necessities, when it is proposed to build them, there is no necessity of resorting to extraordinary measures; the capital is forthcoming, and men can be found to lay the tracks, and to furnish the equipment. There is no trouble in such cases. But, Sir, occasions arise, when bold projects are conceived, of a magnitude, sometimes, which transcends all legitimate calculations, being so far in anticipation of the public wants, that all but the most adventurous are afraid to take hold of them. The gentlemen who take broad views of this kind, and who wish to engage, if you please, in large operations in land, immediately appeal to the Government of the United States, and ask for alternate sections of land over a vast extent of territory. Having got these, and finding perhaps, that the enterprise still drags, they next ask the Government to guarantee the interest on the bonds of the company, and thereby virtually endorse the enterprise. Thus a great road, far in anticipation of existing wants, is built, without, perhaps, one dollar of capital, and all for the benefit of a few. I know it is asserted that the public will derive great benefit from it, but, Sir, the way to estimate that is by

calculating what are the profits that such an enterprise return. You may construct a railroad two or three thousand miles long, and you may find, as I think it has been found, that the profits accruing therefrom, are not sufficient to pay the expenses. Are we to be urged further into enterprises of this kind, and in order to their support, to commit ourselves to the dangerous policy of giving away the whole public domain? Has the United States a right to squander its estates in this way? Though we may seem to have thousands of millions of acres of land, these are not exhaustless, and if we calculate the rate at which this country grows, there is a not distant time, when every acre will be wanted by free and independent settlers. I am totally opposed to thus forestalling the march of empire in this Western World. I do not want to interpose a land speculator in the way of any man who may come to this land of promise, wishing to locate himself in some favorable spot. I do not want him to find that the ground has been surveyed and preempted by a set of men to whom the cost has been as nothing, and that he must turn aside to some barren place, considered not worth the taking. Is this the policy to be pursued by the United States, by us who desire to promote republican institutions, and to lay their foundations deep and permanent? I cannot think so.

I consider this proposition as the most vital one on our programme. It has so challenged my attention. What is the case in the old world? It is said that Europe is over-populated. Is that so? No, Sir. Treble her population could subsist upon her soil; but the difficulty is, that in modern times this has been so vested in the hands of a few, that the majority of the people, abjectly crawl upon the surface of the earth, at the mercy of the landlords. Sir, you cannot confer such privileges upon a few, without bringing about in this country, as has been the case everywhere else heretofore, the condition of master and slave, of lord and vassal. I do not want to see that state of things prevailing here. England has been referred to. Well, Sir, England in the fourteenth century was noted for the number of her independent free-holders, subsisting, each on his own little territory, feeling himself the owner of something, and ready to strike for his country, and to defend her institutions. But, as has been remarked by the gentleman from Newark, time passed on, property became more and more concentrated in the hands of a few, and we find Goldsmith, setting forth in his poem, *The Deserted Village*, the condition of things even in his day; speaking of certain localities, he says:

"One only master grasps the whole domain,
And half a tillage stints the smiling plain.

* * * * *

Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay :
Princes and Lords may flourish or may fade,
A breath can make them, as a breath has made;
But a bold peasantry, their country's pride,
When once destroyed, can never be supplied."

Now, Sir, as an American citizen, I must take the position I now occupy. My deepest convictions correspond to this proposition. If you say this is poetry, is it not poetry realized by fact? Is not the condition of the occupancy and ownership of the soil of Great Britain at the present day precisely what has been stated by the gentleman from Newark? And shall we give our consent to the same thing here? Did not the Emperor of Russia, when he liberated his serfs, show that he well understood this matter, by giving to every man a portion of the soil, whereby he might support himself and his family? I trust that if we can only secure these great railroad lines stretching over thousands of miles, by a violation of republican principles, we shall do without them. Let these railroads be pushed westwardly only as population advances, and as a traffic can be built up to maintain them, rather than constructed so far in advance of the wants of the people as to load us with taxation. Looking to the future, I desire that my children may see those vast western plains between the Mississippi river and the ocean, occupied by independent land owners, each standing upon his own acres, erect and free, and ready to do battle for his country. I trust we shall not confirm the theory sometimes advanced, that all history moves in cycles; that we go on from despotism to republicanism, and then back from republicanism, through anarchy, to despotism. Let us make careful provision that every man in this country shall have a right to own something, and thereby it be made his interest, as well as his duty, to maintain the institutions under which we live.

Mr. CHITTENDEN, of New York: I shall make a very unpopular speech, but it will be a very short one. I came here in a very teachable state of mind, in regard to this question. I am opposed to stealing, to land grabbing, and to everything that tends in that direction. The friend who has just taken his seat, has referred to European countries, and especially to England; but I do not know what would become of his poetry, so far as there may be any practical force in it, if he would consult some of those great railroad

speculators, as they are called, who have millions of acres of land, which they are anxious to distribute to his independent landowners on credit or at very low prices, giving them titles which will last forever. (Applause.) I ask him if he owned the State of Iowa to-day would he not give me every other section of land to induce me to build a railroad across it? Take the worst case that has been developed in this country—the Union Pacific railroad. We all agree that Congress, in granting that charter, gave to the incorporators of that railroad a gift of immense value. And who are the men who availed themselves of it? I say that great and valuable as that gift was, there was not a body of men in this country who had a reputation for prudence and sagacity, who dared take hold of that enterprise, and contribute money to build the road. It was built by the ablest and most reckless speculators that this country has ever produced. They were the only class which would accept even such a gift as that, and undertake to build this avenue across the continent.

Now, Sir, the question is not whether we have been cheated, or whether we shall try hereafter to avoid the frauds complained of. But the question is whether we may not, with the experience we have gained, and with the enlightenment which has come from that experience, wisely subsidize other railroads. Take, for instance, the great undertaking of Mr. JAY COOKE. He has a gift from Congress of fifty-two millions of acres of land for the Northern Pacific railroad. I ask if there is any right-minded man in this assembly who does not wish Mr. JAY COOKE all possible success in building that trans-continental line to the ocean? If you want to participate with him he will give you part of his profits if you will furnish part of the money necessary to carry out that great enterprise. I ask the gentleman to tell me whether it would be for the interest of the nation for that great enterprise to fail? I have no interest in it. I have never been bold enough to take part in any such enterprise. I do not want any such opportunities to increase what little I have gotten together in the world; but I ask gentlemen to test this question practically; if we had the authority to stop the construction of the Northern Pacific railroad, should we vote to do it here to-day? Would a proposal of that sort do honor to us, as intelligent business men, believing in the destinies and in the immense resources of this great continent?

I admit the wrongs that have crept into this system of subsidies, but I want gentlemen here to say whether if we could stop the railroads we have constructed across the country, and take back the land given for them, should we be prepared to do it? How is population

to reach our territories if we do not open such avenues? Shall we stop the Northern Pacific railroad, and reverse the legislation of Congress in reference to it? I should like to have the gentleman who last spoke (Mr. BUZBY) answer that question. It is a practical way of meeting the issue involved in this resolution.

Let me not be misunderstood. I concede that members of Congress have themselves been wickedly subsidized in reference to many great public jobs. I believe that we are bound, with all earnestness, to protest against these wrong doings; but it also seems to me that we may not wisely pass a prohibitory resolution such as is proposed. It will do no harm in one sense, but, as business men, looking forward to the rapid and certain development of this country, it becomes us to consider before we vote that these public enterprises are to be stopped, as far as aid from the General Government, by the granting of lands now lying waste and useless, is concerned, because some thief has happened to get his hand into the public treasury deep, and that for this reason we must shut and lock up forever these great treasures which we possess in land, which are only treasures as they are developed. I should like to have the gentleman answer me whether he thinks the public interest would be promoted by repealing the legislation of Congress, which endowed the Northern Pacific railroad with fifty-two million acres of land?

Mr. BUZBY: I will say that I believe we have no right to pass *ex post facto* laws. If the Government of the United States has granted this land let it so remain. We are bound in honor to respect these grants, which are of the nature of vested rights.

Mr. CHITTENDEN: That is not the point. The question is, whether it would be best if we could in honor do so. If it were practicable, do you believe it would be expedient?

Mr. BUZBY: In the course of my argument I stated what furnishes a reply to the gentleman. I said that in my opinion it was better that railroads should advance as the interests of population seem to require rather than by taking enormous leaps of thousands of miles at a time through an uninhabited wilderness, and that the unproductiveness and uselessness of such projects are demonstrated by the fact that they yield no profits for long years. The Union Pacific railroad certainly returns no profits.

Mr. CHITTENDEN: The Almighty made the great rivers of this continent long before they were of any use. (Applause.) The Hudson river, which now affords enormous advantages, yielded no

profit a thousand years ago. Now, let Mr. COOKE and the other gentlemen build their railroad lines. They are rivers, in an important sense; they are substitutes for rivers largely and for canals, and if they yield no profit the first five years, the time will come when they will do so.

At this point the discussion was interrupted by the receipt of a communication from the Buffalo Board of Trade, inviting the delegates to an excursion to Niagara Falls on Saturday afternoon; the invitation was accepted, and the thanks of the Board were returned for the courtesy.

Mr. RANDOLPH, of Chicago: I ask permission to make a report from the Committee on Credentials, in regard to the application of the Nashville Board of Trade.

Our constitution requires that each Board applying for admission shall be chartered, and that it shall be organized for general commercial and not for special purposes. The new constitution of Tennessee, which was adopted in that State, upon its reorganization after the war, provides, among other things, that associations of this kind shall not be chartered by special act, but that they shall be organized under a general law. At the annual meeting of the legislature held since the adoption of that constitution, there was a failure to pass such a general law, hence it has been impossible for any association of this character to obtain a legal organization since the adoption of the constitution. The Nashville Board of Trade exists under a constitution, certified to by the Secretary. Its purposes are commercial, and akin to those of the other bodies represented here.

In view of all these facts, the Committee have decided unanimously to recommend that the Nashville Board be admitted as a member of this organization, and that Mr. FREDERICK H. FRENCH be received as a delegate.

The report was accepted, and the Nashville Board was admitted by unanimous vote.

The discussion on the subject of grants of public lands, in aid of railroads, was then resumed.

Mr. MCPHERSON, of St. Louis: It was not my intention to take any part in the discussion of this question, but to leave what further remarks I might have to make before this Board for the ques-

tion presented by the Chamber which I in part represent. But, Sir, this question comes in here, and seems to be pressed with one idea made prominent, which may lead us to commit an error which we may afterwards regret. If you take any one single idea and disconnect it from others, you can stop the wheels of almost any enterprise in the land, by pointing out some radical objection, if it be carried to an extreme. The gentleman from Newark (Mr. SEALY) who presents this proposition, suggests the limited number of land-holders in England, Scotland and Ireland, as an illustration of the danger to which we are exposed, in connection with vast monopolies in land. Why, Sir, that danger was provided against before he or I was born, when the law of entail was stricken out in every State in this country. You often see the spectacle among us of what are deemed locally large estates, but they last only until the death of the owner, then they are divided and often the property is scattered to the winds, and the tenants of one generation become landlords in the next. So far, then, as the illustrations drawn from Europe are concerned, so far as the eloquent reference which has been made to serfdom in Russia is concerned, they are not and cannot be applicable to this country, so long as our republican institutions remain upon the basis on which they now stand.

Again, Sir, all must admit that to act now to some extent looks like shutting the door when the steeds are all stolen. It has been the policy of the Government for the last thirty years to appropriate lands in aid of what it deemed judicious enterprises. It may in some cases, and I believe has, made an extravagant use of this power, but that should not operate to destroy a principle good in itself, which has developed our country, and from which beneficial results have flowed.

Again, Sir, upon the question of monopoly, I believe that all the laws making these grants require the lands to be disposed of by the corporations within five years after the completion of the respective roads. That, Sir, removes the danger that these companies will retain the lands; and if these gentlemen could see the efforts to sell, which the corporations holding them are making every day, they would not feel any anxiety in this regard. You cannot take up a paper anywhere in the country without finding advertisements offering these railroad lands for sale on very liberal terms. While I am very willing that there should be a judicious judgment exercised in this matter, I do not want to destroy what has been such an efficient means for developing the country, and increasing our commerce and wealth.

It has been better and more eloquently said than I can say it, by the gentleman from New York, (Mr. CHITTENDEN,) that this Pacific railroad, which is one of the grandest enterprises of our country, was undertaken and built by a company of speculators. It is a fact of which I feel proud, as an American citizen, and it is one of the proudest boasts that we can make, that while in the midst of a struggle, in which the nation's life was at stake, in the very midst of that terrible war which has terminated in bringing peace and prosperity back to our country, the plan was conceived and undertaken for constructing a national railroad across the Rocky Mountains, to that time deemed almost an insurmountable barrier, making a direct connection between the East and the West by a route through our own territory. It was at such a time, I say, that this plan was conceived, and legislation was brought to bear upon its execution, by the aid of which the road was built. But, Sir, it was not then deemed such a mighty speculation as it is now. We hear a great deal about speculation in regard to this matter, but what are the facts? I had the honor to be one of the incorporators of that company, and was one of those who assembled at Chicago for its organization in 1862 or 1863. The talk there was of the most conservative character. We had the very ablest councillors, and they said: we must keep it out of the hands of speculators, and we all agreed to that. We selected a very able and conservative gentleman for president. We thought he was perfectly reliable and would guard against speculators; and every effort was made to make this a *bona fide* transaction; there was to be no deception of the public, and no failure in the enterprise. Agents were appointed to take subscriptions, and a time for formally opening the books was fixed. They were to go to every city and village almost in the land, and we were very particular whom we selected as agents to receive the expected rush of subscriptions. The books were to be kept open sixty days and then closed. Those who recollect the history of this matter will remember that the most conspicuous men in the land took hold of this enterprise; the Board of Directors was composed of prominent men in the different States. Well, Sir, at the end of sixty days the returns were examined, and it was found that there had been *one hundred and twenty-five thousand dollars* subscribed to build a railroad across the continent! I had been honored by the appointment as one of the commissioners for St. Louis, and I thought it would not do for St. Louis not to be represented; we hoped then to have a direct concern in it; we did not know that we should be cut off by the diversion of the road to Omaha; so I put down my five thousand dollars—the smallest amount that might be subscribed—and

sent on my ten per cent.; but I was told there were only four other men who were as green or as zealous as I was.

The enterprise stood in that way for a time, nobody ready to take this valuable grant of land and this donation of the nation's credit, nobody willing to take the risk, as my friend CHITTENDEN says, of injuring his fortune by going into the enterprise, until at last what are called the speculators of the country engaged in it. I claim to have a moderate share of sagacity, but after sixty miles of road had been built, the parties wanted me to pay up the balance of my subscription, go on with them, and have an interest in the road, and I quietly said to one of the directors that if they would pay me back my five hundred dollars and interest, I would step out. I thought I was making money by the operation! I speak of that simply to show the position in which this great enterprise stood at that time. I know that in Wall street it was looked upon as so wild a scheme that the company was altogether without credit there. The banks would not take the bonds or the company's paper, because they thought its failure was only a question of time. But time went on, and the undertaking has proved a success, and it is understood that these enterprising men have made millions by the operation. I say they are entitled to it, because they embarked in it when every prudent man deemed it a dangerous thing. It is true that they did not meet such serious obstacles as it was generally believed they would find, and they went on, made a success of it, and have made money out of it. I am glad for one that they have. I am glad that they have met with the success which the boldness of their spirit entitled them to. Suppose they have made their millions, can you estimate by millions what this country has gained through the development of that vast interior region, and the opening of a short line to the East? I say a short line to the East, because the great trade of the East Indies is to be carried across this continent, and that is what we in St. Louis have been laying our plans for as well as others.

I might go into detail to show what benefits Missouri, Illinois, Iowa, Minnesota, and almost every other State, have derived from these grants of land to railroads, but I will not detain the Board. But what I want to impress upon the delegates is that we should not lay down a principle which will cut in more ways than one. I will illustrate it. A few years ago we had what was considered an able Congress, which subsidized a steamship line to carry the mails between this country and Europe. The line was established and kept up for two or three years, when an economical fit came over Congress, and it refused to continue the subsidy; it said, "Let private

enterprise do this thing," although it had before it, as an example, the far-sighted sagacity of Great Britain, afterwards followed by France and Germany, in subsidizing steamship lines for the same purpose. And what was the result of withdrawing that subsidy? The steamship line died out; and what is our position to-day? Where are we who a few years ago boasted that we were the second commercial power in the world, and intended to be the first? I ask you, gentlemen, upon the seaboard, what is the mortifying and humiliating condition of our commerce to-day? And all this because of a clamor about saving the people's money, instead of adopting the bold policy of subsidizing steamship lines to every port on the globe, giving us a commerce which, if it costs us in one direction, enriches us as a nation in another. We must take a broader view than that one man will make a few hundred thousand dollars by obtaining a subsidy for a public enterprise if we would advance our country, and place it where other countries stand. If you take this view here you will have people retorting upon you, "You shall not have subsidies for your steamships." I live far in the interior, and I have regretted that there was not more sagacity manifested by Congress upon this very subject. I want steamships to run from this country to every port of commerce and trade throughout the world, and I want them to run under our own flag, to carry our own products, and to bring back the products of other lands. But yesterday I saw a paragraph in a paper, in which it was stated that of twenty thousand vessels which sailed through the Bosphorus, only one carried the stars and stripes. Is that in accordance with our accepted position as a nation? Is that in accordance with the destiny which we have marked out for ourselves? If it is, I think we had better tear up our rails, take back our appropriations, live within our shell like an oyster, and cease to claim to be any longer an enterprising people.

I do not mean by my remarks that we should give these subsidies to steamship companies indiscriminately or recklessly, but we should do it upon the principle on which England, our mother, has ever acted. We should look at what will prosper commerce. We may learn something from England, if we do repudiate her large land holdings. It is an important fact in her history, Mr. President, that although on the restoration of the monarchy, after the commonwealth, the rulers dug up the remains of that mighty man of power, CROMWELL, gibbeted them at the cross roads, put all manner of indignity upon him and his followers, making them a jest and a butt for years afterwards, and have hardly ceased doing so yet,—notwithstanding all this, I say, the great Navigation Act, upon which the

prosperity of British commerce was founded, stands in its main features to-day. Those men did not fail to see what was for their interest there; and, gentlemen, that great monopoly which they created—the East India Company—which has been so severely denounced, and which probably had odious features in it, is what built up British commerce in the East, and the Government supported it until it was successful, and a vast empire had been added to the crown.

We must shut our eyes to some evils which may be connected with these monopolies, looking to our great destiny in the future. In everything else we have made progress worthy of our country, and of which we may be proud. Within the last decade see what has been accomplished here. We have suffered the misfortune, if you please to call it so, (I begin to believe it to have been fortunate,) of a rebellion among ourselves; we have blotted out what would have constituted a great slave empire; we have aided in the construction of a thousand miles of railroad; we have created a public debt in putting down the rebellion of two billion five hundred million dollars; and yet notwithstanding this immense loss of blood and treasure, our census will show that we have made a progress which has more than overcome all these losses. We are richer to-day than we were in 1860; and when we have made such progress in the development of our country, and the building up of our railroads, do not let us turn round and lay down a doctrine, the application of which may interfere with this very progress. I hope, Sir, that we shall not, by taking any one-sided view of this matter, put a stumbling-block in the way of our progress as a commercial and enterprising people. I have no railway project that I want a subsidy for; I do not expect to have any interest in any future subsidy to any roads; I have no personal interest in any of these schemes. As I said, I stepped out of what was considered a great speculation and monopoly, because I thought it prudent to do so; but I do not want this Board, as a body of business men, to lay down a rule which will interfere with the enterprise and progress of our country hereafter. (Applause.)

Mr. WETHERILL, of Philadelphia: I know of no subject that can be brought to the attention of this Board calculated to draw forth so much eloquence as this question of subsidizing western railroads. Prose seems to fail entirely in depicting the glories of that sunset land, and we have to resort to poetry fully to portray all its glowing characters. The few plain words that I have to say may therefore be very uninteresting, and perhaps even unpleasant to some

gentlemen present, yet it seems to me they are words that should be spoken.

I was very much surprised that my friend who comes from that sharp, wide-awake and energetic city, St. Louis, when he, with a few others, had an opportunity to get into so profitable an enterprise as that of building the Union Pacific railroad, should have turned back after putting some five hundred dollars into it. Let us for a moment glance at the amount of money that his successors who were perhaps a little more keen sighted than himself, have made; and from that let us estimate the cost of that enterprise to the country. Let us see how much valuable land we have given away. Let us see, too, what a large amount, as a cash subsidy, has been given, and when we foot up the amounts and get at the sum total, we shall find that land to the value of one-fourth of the national debt has been given to various schemes which have not yet developed this vast western country of which we hear. I understand that the Government gave to the Union Pacific railroad a cash subsidy of sixteen thousand dollars a mile, and upon that sixteen thousand dollars a mile a first mortgage was issued which the party building the road took to themselves at seventy. That netted, therefore, eleven thousand two hundred dollars a mile, which, added to the sixteen thousand, make twenty-seven thousand two hundred dollars—the absolute and actual cost of the road a mile. I believe that is pretty nearly the figure. I believe that these gentlemen built this road with sixteen thousand dollars a mile from the Government, and with eleven thousand two hundred dollars a mile in cash, which they received upon the first mortgage. But they sold the first mortgage bonds to some of our friends here, I suppose, at one hundred and two, therefore they got a difference a mile of five thousand dollars. They received thirty-six thousand dollars, which would show a net profit of forty-one thousand dollars a mile.

Mr. RANDOLPH, of Chicago: The subsidy was sixteen thousand dollars for the flat country, thirty-two thousand dollars for the sage country, and forty-eight thousand dollars for the mountain region.

Mr. WETHERILL: I only want to take the best portion of the line. The sage lands would be rather high at two dollars an acre. Now, upon that subsidy the Government expended some sixty-five million dollars to six different roads. I have not a word to say upon what has been done. Let the past go. But I do say, that to-day with six roads, all with the same object of opening territory, all costing an immense amount of money, and perhaps two hundred million

acres of Government land, it seems to me, that for some time to come, we have a sufficient number of acres opened for all the convenience of every possible settler that may seek that territory for a home.

But not only has the Government expended sixty-five millions of dollars, it has lent its credit to the Pacific roads; and let us look for a moment at the present condition of these roads, to which the gentleman from St. Louis, (Mr. McPHERSON,) has so eloquently alluded. As I understand it, these roads were bound to pay the Government six per cent. upon the advances made to them, and I have no doubt that was one reason why so many willing votes were given to these great roads. It was said, "We do not ask you to meet the interest; we only ask for the credit of the Government; we will take care of the interest. There will be no trouble in opening this vast interior country; the through travel will be enormous; the receipts from the local travel will also be large, and we can readily meet the interest. We ask the Government, therefore, to simply loan its credit." What are the facts to-day in regard to that matter? Interest due upon Government bonds by Pacific roads, six million eight hundred and eighty thousand dollars; interest paid, two million one hundred and forty-six thousand dollars; interest now due to the Government nearly five million dollars.

In regard to the land subsidies, I contend that inasmuch as we have already six roads running westwardly opening a vast extent of territory, it is not right for us to grant the Northern Pacific railroad fifty-two millions of acres of land; for I tell you that for the increased emigration coming from the East, running up to enormous figures, from which we must draw our wealth, (for that labor will soon be in a far different condition from what we see it now,) and the emigrants from the West also, we have none too much land. Although the number of acres which we have in the great West is still large, yet we must recollect that the valuable land is a belt only seven hundred miles wide, as I understand it. Most of these roads only run into the middle of the valuable prairie land which they have selected; many of them hardly going through it. We must remember that this valuable land of ours, out of which the emigrant must support his family, and out of which he must grow rich by his labor, is not so very large, and we are not justified in giving it away so profusely, because, when we get beyond seven hundred miles, we have a country which cannot be cultivated except at great expense. We have a country, which to be valuable for agricultural purposes, must be irrigated, and of course so much an acre added to the cost. And then when we get beyond that into the sage country the land is almost valueless. So, when I

look upon the lands of the West, I do not see such an amount of valuable land as would warrant us in being very profuse in giving it away.

I hope I may be pardoned for asking gentlemen to refer to page 113, of the Proceedings at Richmond, and with the words of one of the most eloquent speakers on this floor, who was also a delegate at that meeting, I will close what I have to say :—

“I have listened to my friend from New York, (Mr. WALBRIDGE,) who proposes five grand lines from the Mississippi; and to the eloquent gentleman from St. Paul, (Mr. TAYLOR,) who proposes a grand continental line, and to other gentlemen who have debated the question of a northern line to the Pacific Ocean. I need not, Sir, attempt here to make any estimate of the matchless resources of this country, or to calculate its prodigious, undeveloped forces; but I tell you that these forces can never be developed by Congressional subsidies, and there is no exigency existing in my judgment at the present time for making the attempt. We have one railroad to the Pacific. I rejoice that we have; but before Congress shall undertake to build another, let us see what we will do with that. We have that to conserve and protect, and stranger things have happened than that it should fall into the hands of the Government to be taken care of and kept in running order. I am opposed, therefore, and I believe that the sentiment of the country is thoroughly opposed to all recommendations to Congress to subsidize more railroads. We shall get them in time. The natural resources of this country will produce them. We are getting them rapidly enough; and if my prediction does not prove true, if we are able to carry out the schemes now in progress, if the enormous and daily increasing projects for building new lines of railroad can be supported, then I say that the inherent forces of this country, its prodigious wealth and its future grandeur, have not been dreamed of by the most visionary and enthusiastic man in the nation. I believe that there is a check to this state of things coming, and I hope, Mr. President and gentlemen, that this Board will do nothing hastily which implies a contrary opinion.”

Mr. LATHERS, of Charleston: There is no man in the South who does not rejoice in the great results with which Yankee enterprise has blessed the whole West; there is no man there who does not rejoice that our railroads have reached the Pacific; but at the same time we do not forget that this has been accomplished at great cost,—and we feel, when we see the way in which the principal part of the cost of these roads has been obtained from the pockets of the people, and how much corruption has grown out

of the system, very much like the Quakeress, who said to her lover when he asked for a kiss, "thee may do it this once, but thee shall not make a practice of it." (Laughter.) A railroad to the Pacific has been built and we rejoice in it, but we do not want such practices to continue.

There is another view, Sir. It is very much the fashion to denounce corporations and I fear there is too much foundation for it. It is difficult to lay your finger upon each particular fraud, but we all know there is fraud. When you see men connected with these enterprises making millions, while you by your hard work and your judicious endeavors can hardly make hundreds; when you find a man, a vulgar man perhaps, in your estimation, with but little business capacity, but who happened to work into one of these corporations, driving a carriage which would well befit the Emperor NAPOLEON, if he should succeed in keeping his present position of comfort at Wilhelmshohe; it is very startling. When we see Congressmen, who before their election could not borrow ten dollars to carry on the canvass, return home after a couple of sessions exceedingly wealthy, it alarms us.

If there is any truth in political economy that is well recognized, it is this: That every means of transit, every appliance for preserving property or making it more productive is valuable. My eloquent friend from New York made a very telling remark when he compared the value of these railroads to the value of the Hudson river, but he forgot to mention the very important fact, that the people of the State of New York and of the West were blessed by the Creator with that river without cost or effort on their part.

Mr. CHITTENDEN: I expressly stated that the Creator gave us that river.

Mr. LATHERS: Let us carry this illustration a little further. Suppose it should be proposed to make another Hudson river in some other part of the country at a cost of billions of acres of the public land, do you think it would be profitable? Do not let us disguise the fact that while the great western roads have increased the value of land in that section, the value of our lands elsewhere has been impaired. Go into Massachusetts or into New York, and compare the prices of farming land to-day with what they were ten or twenty years ago, and you will find that if there has not been a depreciation there has not been that increase which there should have been. I do not complain of this, I simply state it as a fact that when you increase the value of property at the far West you are to some extent decreasing its value at the East. I do not object to that

but I do object to opening too many of these channels at the public expense before they are needed.

There is another question. Our friend from St. Louis made a very happy remark in regard to what was done by CROMWELL to build up the commerce of Great Britain. There was great propriety in doing what he did at that time, which our historical reading will bring to mind. At that period the Dutch were sweeping the ocean, as it were, with the besom of destruction. It was important that the English should have a navy, and being poor then they very wisely made a law by which by means of a mercantile marine they could educate sailors for the navy. It was a temporary expedient and it answered its purpose.

Our eloquent friend from New York, (Mr. CHITTENDEN,) asks if we would have this great Pacific railroad blotted out. Of course not. And if the law has given the Northern Pacific road fifty-two millions of acres, I would not ruthlessly take away that grant as has been stated, because good faith would dictate that when Congress has enacted a law conferring certain privileges on a corporation, thus inducing people to put their capital into it, they should have a reasonable time to draw it out again. But I object to repeating this thing. It is like my Quakeress friend. She admitted the advantage that possibly might accrue to her from having the operation performed once, but she was somewhat doubtful of the result upon her fair fame should it be continued.

There is one difficulty with all these questions. We are too much in the habit of looking to the Government for everything. If there is one thing more true than another in political economy, it is that you must rely upon the people themselves. What is government? Can government dispense anything unless it has previously taken it from the people? The hand of the Government is precisely like a sponge. When it is put into the public purse it absorbs an immense quantity of that which it never gives out again. There is no doubt of that. There is nothing so utterly preposterous as that a body of merchants who have found their greatest success in the exercise of and in dependence upon their own energy, should look to the Government for such things as we have been speaking of. What is the government of this country? Unlike the government of any other country, it is the agent of the people, it represents precisely the will of the people. It can give the people nothing. The people make the government of our country, and there is nothing connected with it which we should look at with reverence except the law made by the constituted authorities. We should not ask for anything from our agent except that

which shall make everything equal and enable us to conduct our business with freedom under fair and just laws.

Mr. CHITTENDEN: I should like just one moment to correct the gentleman from Philadelphia, (Mr. WETHERILL.) The question before the Board when the remarks which he has read were made, was this: Whether we would recommend to Congress to subsidize five railroads to the Pacific. Mr. WALBRIDGE had just made a speech very earnestly advocating the policy of subsidizing five railroads to the Pacific. The question now is, as I understand it, whether we will go to the opposite extreme and ask Congress never again, under any circumstances, to aid any enterprise by the donation of a foot of the public lands. I stand by what I said a year ago, although those remarks were entirely unpremeditated as were the remarks I made this morning. There is not a single word in them inconsistent with what I have said to-day in opposition to this resolution from Newark.

Mr. WETHERILL: One moment in explanation. I merely made use of the eloquent language of the gentleman from New York to fittingly close my remarks; nothing else. They were forcible and to the point, and seemed to cover the ground. Mr. WALBRIDGE brought up his resolution in favor of subsidizing five great roads; they have all been subsidized but one—the Southern Pacific; and that Southern Pacific road in connection with this very matter is now before us. The question is, whether, after having refused to pass a resolution in favor of subsidizing five roads, four of them having been subsidized, we shall or shall not vote to subsidize the fifth. I think, therefore, my adoption of the language of the gentleman from New York was proper.

Mr. STANARD, of St. Louis: If we in the West are charged with having a deeper interest in this matter than the people of the East, it may not seem so strange upon reflection. We in the West feel that if New England is finished up, if her lands are occupied and her territory full, we have a vast extent of country which is yet to be peopled, and to be the happy home of millions. We know that the building of railroads and the granting of subsidies, by which they have been built, has been of incalculable value to the Western States, and whatever is of value to them is of value to the nation. We are conscientious in the belief that the appropriations which have been made by Congress for building railroads have paid excellent dividends to the government; and if every dollar which has been thus expended has returned a revenue of from ten to twenty dollars, and perhaps more than that, we are not prepared to adopt the statement

that because a few bold individuals who took hold of railroad enterprises have made money out of them, the Government has not been benefitted by its subsidy policy. The fact is it has been benefitted. The gentleman from Baltimore, (Mr. KIRKLAND,) referred to the building of the Illinois Central railroad, and to the subsidies which were granted to that road. Any gentleman who has ever travelled over the country through which that railroad was built, will say that the Government has been enormously benefitted by the immigration to, and the filling up and improvement of the lands there. Before the construction of this railroad, for hundreds of miles through this rich and beautiful country, it was one vast desolate prairie, where you would see scarcely a sign of human life. What is the fact to-day? The fact is that there is no section of country that pays a better revenue to the United States than that section of country lying between Bloomington and Cairo, which was formerly a barren waste. Those lands were brought into requisition and were settled in consequence of this very appropriation; but for it they would have been unoccupied until this time. There are members of this Board who know something about the disabilities of the West, and of the men who lived in the West previous to the construction of railroads. There are men here who know that the land which has been granted west of the Mississippi river to railroads, would have been of scarcely any value to-day had it not been for the immigration which was induced by railroads built through that country. I tell the gentleman from Philadelphia, (Mr. BUZBY,) that he has got the cow-catcher on the wrong end of the train. He proposes to populate the country and then build the railroads. People do not go far into the interior and expose themselves to the dangers incident to a wild country unless they can be protected and have some means of reaching market. I tell you that if we had not built these roads in the West, that country would never have been peopled. Had it not been for the building of these roads which were assisted by the Government, instead of three millions of people in Illinois, eighteen hundred thousand in Missouri, a million and a half in Iowa, half a million in Kansas, and one hundred and fifty thousand in Nebraska, you would not have half the population or half the wealth there is in those States to-day. I am opposed, gentlemen, to a "penny wise and pound foolish" policy, either in private or public affairs. I am also opposed to the Government squandering its land, but I do not believe because a few individuals have made money from their ventures, that we should put our foot upon a system which I believe has been of inestimable benefit and a priceless blessing to our country. The land west of the Mis-

Mississippi, after you proceed one hundred and fifty or two hundred miles from the river, were it not for railroads, would not be worth five cents an acre, as every man knows who knows anything about it. And why have the people immigrated to this country in such numbers? Why have they come in such swarms? It is because there is better land west of the Mississippi river than there is in any country in the world, and because there are better facilities there for marketing. What the people have to sell finds its way to market as easily as from any other part of the world, and they will continue to go there until our land shall have a population of one hundred and fifty millions. That will come within our life time, or if not, in the life time of our children. This will be the result, if we continue to pursue an enlightened and liberal policy in this respect; but there will be no such result if we now turn our backs upon these enterprises. I cannot see how this Board can go back on its past action. It seems to me that at the Cincinnati meeting the eloquent gentleman from Philadelphia, (Mr. WETHERILL,) took the other side of this proposition, if I remember his speech. I would repeat the question which has been already put to these gentlemen, whether they would undo what has been done. There is force in that inquiry, and that will test the sincerity of the gentlemen here. No matter whether the thing could be done or not, let them answer the question. I do not believe there is a man here who would to-day take back the land that was given to the Union Pacific railroad or to the Kansas Pacific railroad, and leave that country a desolate waste. I believe that every citizen of the United States is proud of the fact that we have a grand Pacific railroad, and that our two oceans are united together by iron bands. We are all proud of that fact and believe that it has been of great benefit to us. I do not think there is any gentleman here who would undo what has been done if he could.

I hope that these recommendations from the Newark Board of Trade will not be concurred in, but that they will be voted down.

Mr. HAWLEY, of Detroit: I will endeavor to be very brief, but, Sir, for one I desire that the original resolution with the preamble may be passed as the sense of this Board. I believe that the time has come and that the people of this country are satisfied that the time has come, when we should begin to return, and that as rapidly as possible, to correct principles. There are indications all over the land that the people are unwilling that Congress should authorize the building of more railroads at the public expense. The question has recently been submitted to the people of Illinois and of Michigan, and they have by overwhelming vote decided that upon those who desire

railroads should devolve the cost of their construction. If this is an indication of what the people generally desire, shall we ask the General Government to do what we are not willing to have done at the expense of the several States, in regard to roads which affect particular localities? As was remarked by the gentleman from Charleston, (Mr. LATHERS,) the Government has nothing which it does not receive from the people, — nothing of its own. It is but an agent. It is necessary that the Government should collect revenue for certain purposes, but I insist that the time has come when this revenue, collected from the entire people, shall be restricted to uses strictly governmental in their character. If there has been a paramount necessity for connecting the Atlantic with the Pacific, it may have been right for the Government to assist as it did assist in building one road; but even then in such a case it may well be considered whether it would not be better in all matters which are admitted to be of public necessity, that the Government should construct the work, own it, and control it.

Mr. President: The Detroit Board of Trade has recently expressed its views upon this question, not, it is true in the identical language of the Newark resolution, but in language substantially covering the same ground, and I beg leave to read the resolution which was adopted by an almost unanimous vote :

Resolved, That we oppose all subsidies and land grants, to steamship lines, railroad lines, or any other private corporations. They are but a modern form of the system of favoritism and monopolies which prevailed under the old arbitrary forms of government, are incompatible with the spirit of free institutions, and are a fertile source of jobbery and corruption in our legislative halls.

Mr. President: Allow me in conclusion to express the hope that we shall not pass an amendment, which proposes to continue this system of subsidy, but return to the original preamble and resolution.

Mr. ALLEN, of Philadelphia: I do not intend to make a speech upon this subject, but I am in favor of Mr. WEST's substitute. I dissent from the remarks which have fallen from the lips of my colleague (Mr. WETHERILL.) I think the speech made by Mr. MCPHERSON of St. Louis was perfectly sound, and I concur in every word he said. I was very glad indeed to listen to such remarks. I think they were national; I think they were such as must impress every member of this body favorably.

Mr. HOLTON, of Milwaukie : I rise not to discuss the question, but rather, if possible, to correct a little misapprehension which I think has arisen in the debate growing out of the action of the Board at Richmond. We had a discussion there upon a proposition brought forward by Mr. RICHARDS, of Chicago, asking Congress to open a great freight line across the continent. There was no direct proposition for subsidies in it, but Mr. WETHERILL, of Philadelphia, proposed an amendment which implied that in the original resolutions a proposition for money subsidies might be involved, and upon that point, my friend from New York, (Mr. CHITTENDEN,) made his speech against money subsidies, if I understand it rightly. I rise simply to suggest that we keep our minds upon two points. The question before us now is, shall the Government continue to grant portions of the public lands for the purpose of opening railroads, without subsidies. That is the naked question. If I thought there was any danger that this amendment would be construed as favoring money subsidies, I would offer a proviso to this effect : "*Provided that nothing herein shall be construed as a recommendation of a grant of money subsidies by the Government to any railroad or other corporation.*"

Mr. WETHERILL : I should like to ask the gentleman from Wisconsin one question. If the Government has given the Northern Pacific railroad fifty-two million acres of land, and that land has a value in cash, or a value in credit, so that fifty million dollars can be borrowed upon it, is it not equivalent to a cash subsidy?

Mr. HOLTON : I did not intend to take the time of the Board, or to be led into this discussion, and I do not intend to now. I have lived in the West since it was a wilderness, and I have arrived at this conviction, that land in itself is of no value. It is the betterment that is put upon land, that gives value to it. That speculator does not know the value of land who goes into any wilderness in the West and puts his money into land as an investment. No money, as a general fact, is made out of it. It is upon that ground that if I pretended to offer any remarks on this question, I should favor the proposition of my colleague, (Mr. WEST,) that the Government should do with the public lands precisely as you or I would do if we were the owners of the property, and if anybody or any corporation should come forward and offer to open a public improvement across it. That is all. I do not regard it as a subsidy.

In answer directly to the question, I will say that he who brings a tie, he who lays an iron rail, and makes a thoroughfare by which civilization can advance through the wilderness, has more than paid, in my judgment, for what he has received. (Applause.)

If I were to say another word, it would be in compliment to the remarks of my friend from Philadelphia, (Mr. BUZBY.) There are two sides to the question. It is the great problem of our civilization, how fast we can go on in the way we have been going, and whether it is wise to stimulate the formation of new societies. That question can only be answered by another, and that is, whether the influence of the church and the school house will follow population sufficiently fast upon the track of these new highways. If it shall do so, then nothing further need be said.

Mr. OPDYKE, of New York : It seems to me to have been forgotten by most of the gentlemen who have participated in this discussion, that the policy of giving away the public lands of the United States, was long since adopted, and is now in active operation, and will be so, as long as the Government lasts. It is a policy from which the people will not permit the Government to depart. After having expended about one dollar and twenty-five cents an acre in their survey, in the extinguishment of the Indian titles, and in the expenses of the land department, these lands are offered to actual settlers free. To-day they are offered to the whole world. How have they been given to these railroad corporations? As subsidies to induce them to build their roads. The roads have received every alternate section, the Government charging a small price to the actual settlers, for the sections which remain, because it has furnished them access to these lands, and means of transportation, and thus has largely increased their value. It did not therefore, really give them away at all.

The question to be decided is this : Is it desirable that our population should be increased ; that these lands should be brought under cultivation, that the bonds of union everywhere in the country should be strengthened, and the intercourse, commercial and social between the different sections of the country should be extended, to prevent the condition of things which once existed in Great Britain? The first time I visited that country, I found, in travelling in various provinces, different dialects which were not understood even by the people of the neighboring province. We do not desire that any such condition as that should exist here ; we desire that our whole country should have ready means of intercommunication, commercially and socially.

My friend from Milwaukie, (Mr. HOLTON.) has made two very important suggestions, and uttered two very important truths in political economy. One is, that lands that have no betterments upon them, lands upon which no capital has been expended, have no value. They will bring no price. They are the gift of the Almighty to the human family, but until they are occupied by man, and improved, and

cultivated by him, they are without value. Their only market value is simply the result of the capital placed upon them, and is always precisely equal to that. Another still more important suggestion is, whether it would not be well to diffuse our population, and thus bring the whole country within the boundaries of civilization at an early day. That is an important question, and if I should answer it in the light of political economy, I should say, that the larger the immigration we invite, the sooner we fill our boundaries with population, commensurate with our entire territory, the worse it will be for the immigration that follows. The cost of land to the occupant, owner, or cultivator, measures the degree of profit of his cultivation. If, for example, the land required by one man, with the proper machinery and implements, costs him ten thousand dollars, and another man has land equally fertile, and equally favorable in location, which he buys for a thousand dollars, you can readily perceive that the latter would earn a great deal more profit. That is precisely the condition of our country, in comparison with the thickly-populated countries of Europe. It is that which invites such an immense number of immigrants to our country. They can obtain land very much more cheaply here than in the countries of Europe, and obtain easy access to market. You can readily see that one of these advantages will be lost when our territory becomes thickly settled. In using this illustration, I do not desire to express the view that immigration is not desirable; I only point to the limitation. The earlier our lands are occupied, the worse for those who follow. The only objection that at present occurs to my mind, with regard to subsidizing railroads, is its demoralizing influence upon the legislative bodies which make the grants. If that can be avoided, I can conceive of no possible valid objection to the system.

The substitute of the gentleman from Milwaukie, (Mr. WEST,) goes as far, it seems to me, as we should be prepared to go in our recommendation. The language is substantially, that reasonable and proper subsidies, on a proper basis, shall be continued. If, however, any scheme could be devised, whereby a general law might be passed providing that any parties having the requisite capital and enterprise to build a railroad in the territory of the United States, through land owned by the Government, should have a stipulated subsidy, that would avoid the objection; and I can readily conceive that it may be possible for Congress to adopt some such general method. The great objection to such a plan is, that these corporations are very apt to subsidize the body which subsidizes them. To my mind the objection is quite insufficient to outweigh the immense advantages which our people derive from these enterprises.

Much has been said in regard to subsidies, in bonds and money. That is not proposed here. If it were, I should very cheerfully vote for the amendment of my friend from Milwaukie, (Mr. HOLTON.) That, I think, should not be repeated, but I think the policy in regard to the granting of lands should be continued.

Mr. ROPES, of Boston : My friend from Milwaukie, (Mr. HOLTON,) has well said, that there are two sides to this discussion. I must say that I think a great deal of irrelevant matter has been introduced into it. The opponents of this resolution have dwelt very strongly upon two points, neither of which, as I understand the matter, is touched upon, in the resolution, and neither of which is very essential to the question. In the first place, they argue very strongly and forcibly, that it is desirable that the public lands should be opened to the immigrant, that he should be able to buy land as fast and as cheaply as possible, and should have the means of transportation furnished as he goes along. We all grant that. The question is, simply, what is the best method of arriving at these results. Whether it is by continuing the system of donating enormous tracts of land to railroad corporations, which may or may not make a good use of them, or whether it is best to leave them in the hands of the Government. Very large amounts of land have been granted to the States for school purposes. That land is in good hands, and will doubtless be well taken care of, and the interest of the people guarded in that respect. When my friend from New York tells me that the owners of these lands are willing to sell thousands of millions of acres, he surely forgets that accuracy of figures for which he is otherwise so remarkable. As I understand it, the whole territory of this country, including his land and my land, and everybody's land, is not much, if any, over three million square miles ; that is, in round numbers, about two thousand millions of acres.

Now, if, as he says, these railroad companies have "*thousands of millions of acres*" to sell, they must have as much as two thousand millions of acres, and consequently have the whole territory of the United States.

Now, what does this resolution say :

Resolved, That the giving away of one hundred and eighty-two millions of acres, of the public lands to railroads by the Government, has created a dangerous precedent, which should cease.

May not that be true, and yet all that has been said here this morning also be true? For instance, at the beginning of the war,

the treasury issued one hundred and fifty million dollars, of legal tender notes. We thought it all right to issue those notes; but will anybody deny that it was a dangerous precedent? And when we come to the discussion of that question, I think we shall all be ready to vote that it was a dangerous precedent, that should cease. Now, applying that same principle to the public lands, it appears that about one-tenth of the whole domain of the United States, public and private, has been given away to railroads, and this in the infancy of the republic; this in a republic, which, as yet, has scarcely forty millions of inhabitants, and which we are told can sustain untold hundreds of millions. Have we not gone far enough in this direction?

Then, again, a great deal has been said to prove that this Pacific railroad was a fine enterprise. Well, suppose it was. Nobody has accused the Pacific railroad of getting the land on unfair pretences. Nobody has said that they have made a bad use of what they have got. The question is with regard to the future. That was an exceptional case. We had a large settlement built up on the Pacific coast, and we had a vast settlement on our Atlantic coast, and no means of communication between the two, except around Cape Horn, or by the Isthmus, which was not our own land. Every interest, national, social and commercial, demanded that we should unite these two sections as soon as possible. The proposition united all parties, Whig and Democrat. President BUCHANAN considered, on military grounds, that there was a public necessity for it. It was taken up by all parties; it was carried through with unexampled enterprise and skill, and perhaps, as has been said, with recklessness; but it has been accomplished; some how or other, the thing has been done; we have got a Pacific railroad; but are we to take the ground, that the same process should be repeated? At the time this road was built, the country was poor; we were engaged in war; the people had no spare capital to furnish, and the Government had no capital to give but land. They were able to make use of what may be called natural capital—land. The land of the country, and the credit of the country, were given to these speculators, who pressed the thing through, and it was only by the most lavish, and perhaps unscrupulous use of the money obtained through the credit of the Government, that the work was accomplished. That is over, and the question now is, shall we repeat the same process over again. Capital is accumulating, gigantic fortunes are being built up; and I venture to say, that all demands for capital will hereafter be supplied by the means in private hands, without any need of recourse to the Government. But if that should

not be the case, and Government aid should be required, then the Government should lend its credit. I would much rather that the Government should lend bonds than give away the public lands, which can never be reclaimed. Let these lands be held by the Government as trustee, to be given only to actual settlers. That is my doctrine. It seems to me that we should take our stand on that doctrine now. So far as it has been departed from, that departure has been a dangerous precedent, that should cease from this time forth.

Let us suppose that a hundred capitalists get up another Pacific railroad scheme, each subscribing a million dollars. They go to the Government and get a loan of the Government credit, and nobody knows how many millions of acres of the public lands. Let us suppose that they issue bonds representing the title to those lands, and that the company is authorized to sell them at certain fixed rates. By-and-by it may happen that those men, having an enormous capital, buy up large quantities of these bonds, and thus claim and hold the land; and not only hold it themselves until it has risen ten-fold in value, but leave it in their wills to their children and grandchildren; or, worse still, (for there is a remedy for that; there is no law of primogeniture in this country, and this property would eventually be scattered,) suppose they hold this land, and instead of selling it to actual settlers, *rent* it to actual settlers, and that land which rented for a few cents at first, afterwards rents for dollars, and all in the hands of this railroad corporation.

A DELEGATE: The law prohibits that.

Mr. ROPES: They might possibly subsidize our friends at Washington, and get a law passed to enable them to do it. I do not want to lead them into temptation. I think we should set our foot down, and say that the exigencies existing in the past have been met, whether wisely or unwisely, it is not necessary to discuss; but no such exigencies can arise again, and the practice of granting the public lands to corporations for any purpose ought to cease.

Mr. KIRKLAND, of Baltimore: I take directly and diametrically the opposite view in regard to this subject, from the view expressed by the gentleman from Boston, (Mr. ROPES.) He wants these grants to stop. He says they have been very well in the past, but now they should stop. I say they have not gone far enough, and they should not stop just here. I look upon the resolution offered by the gentleman from Milwaukee, (Mr. WEST,) as suggesting the attitude that this Board should take. The question has been argued as a matter of justice, but I will take it as a matter of policy. I contend

that, as a matter of policy, the Government of this nation as a trustee, representing the interest of the people of the United States, will add to the money value of the country by giving land to aid in the construction of these railroads. The Southern Pacific railroad has never received one dollar of aid from the Government, and it does not ask now that it shall be allowed to swindle the Government, or that an unprincipled set of speculators shall be allowed to do so. I contend that the Southern Pacific line, but for the unhappy contest which took place in this country, would have been built before this. But when these subsidies were given, that part of the country was in a state of revolution. You will recollect that in old times that was the route by which the traffic of the Far West was conducted. The Sante Fe trade took that route. It is a magnificent route. It passes through rich mining districts, and it is absolutely essential that that road should be built, to compete with the other railroads to which lands have been granted. The Government has given aid to the Northern and Central Pacific railroads, and here is a country, better adapted to settlement, from the arable character of the land, and the rich mineral fields there, than that through which the other roads extend. The gentleman from Philadelphia, (Mr. BUZBY,) says: "Let private capitalists build it." He has demonstrated that private capitalists will not embark their money in it. The gentleman from St. Louis, (Mr. McPHERSON,) has told you how impossible it was to build the Union Pacific railroad by private enterprise. Does the gentleman from Philadelphia, (Mr. BUZBY,) suppose that private capital will come in and build a road to compete with roads running to the Pacific slope, which have cost the builders nothing? I look upon this question as a commercial man. I think it would be very unfortunate for this Board, which is supposed to have no private interests to serve, to adopt this resolution, and possibly to put a stop to the construction of the Southern Pacific railroad. Lands, as has been well said, have of themselves no value whatever. In our own State, in the mountainous regions, land could have been bought for six and a quarter cents an acre, before the Baltimore and Ohio railroad was built. I said at Richmond, in the debate on this very subject, that years ago, I was told by a gentleman in Ohio, that before the Baltimore and Ohio railroad was built, he had given a bushel of wheat for a pound of nails; but after the road was built he got one dollar and forty cents a bushel for his wheat, and could buy nails for five cents a pound. Those lands in Maryland that could have been bought for a few cents an acre, are now furnishing employment for thousands of people, who are making shooks to be sent to the West Indies to the amount of

three or four hundred thousand dollars. Those lands in Illinois, that were valueless within our remembrance, are now worth twenty-five or thirty dollars an acre. I want to know whether benefit has not enured to the Government and to the people of the United States from the increase of the value of those lands, and from the immense increase in the population in Illinois. We are merchants, and we look at this question from a mercantile stand-point. We do not profess to be land-grabbers, trying to demoralize Congress, but here is a road that has equal claims upon the Government with these other roads, and a section of country that has equal claims with other sections of the country. The lands belong to the whole people; they never cost them anything. The Creator gave them to the people, as He did the Hudson river. This land, which the Southern Pacific railroad proposes to occupy, is some four or five hundred miles from the Union Pacific railroad. Would the Union Pacific railroad attract settlers along that belt of country? Would they ever settle there if they had to go five hundred miles to get their produce to market, or to get to and from their homes? It is perfectly clear that the Government should not stop just where Mr. ROPES wants it to stop. It is the duty of the Government to foster these enterprises by giving to them such aid as will cost it nothing, but which will enure to the benefit of the whole country. It is a matter of simple justice due to the people of the Southern portion of this country.

Mr. GANO, of Cincinnati: In reference to this, as in reference to a great many other propositions which are considered by this Board, it seems of the utmost possible consequence that we should suggest something practical. We resolve, and our resolutions amount to nothing. It seems to me, if we could embody in our action some practical suggestion in regard to these things, we should do so, and for that reason it is desirable that many of these questions,—particularly so important a question as this,—should go to a committee who should receive such suggestions as may be offered, and prepare something which we may act upon here, which will be instructive to our legislators in regard to them.

The discussion has taken a wide range; we have reviewed the evils which have been experienced in regard to granting land subsidies; but it seems to me that the discussion has been confined entirely to railroads. Many other enterprises are seeking aid; and, first, there are canals and rivers. They are still asking that something shall be done for them. Now, in order, if possible, to make a practical suggestion here, I offer this amendment to Mr. WEST's substitute, which, I think, will embody his idea, and be acceptable to him:—

Resolved, That in the opinion of the Board no appropriations of public lands should be made in aid of public improvements that are not unmistakably national in their character.

Resolved, That in all acts of Congress, appropriating public lands in aid of public improvements, an absolute condition should be made that every odd numbered section of land so appropriated shall be subject to entry by actual settlers at a cost not exceeding two and a half dollars an acre, or double the rate established by the Government for the entry of its lands.

Resolved, That copies of the foregoing resolution be forwarded by the Secretary to the Congress of the United States.

I will say one word in regard to the practical application of the second resolution to the granting of lands in the West, which may be mineral lands. Some legislation has been had in reference to this matter, and this alternative, "or double the rate established by the Government, for the entry of its lands," should be made to apply to such lands as may be found to contain minerals. This gives the actual settler the benefit of all the value in the land, whether agricultural or mineral.

MR. BROWN, of Portland: I rise to oppose both the amendments, and I will briefly give my reasons. It is well understood in my part of the country that all these subsidies lead to the practice of great fraud upon the Government. I know something of the operations in connection with the Northern Pacific railroad. The company have had very large subsidies, but they are not satisfied, and they are going to Congress this winter for an absolute grant of credit, like that which the Union Pacific railroad obtained. They understand full well that upon that question they cannot stand alone, and they propose to unite their interests with the Union Pacific railroad, and with all the other railroads which are asking for subsidies, in the belief that with all the assistance they can get in this way, they can lobby their measure through. This system of combined lobbying has become so common a practice, that I believe it is for the interest of this country at once to stop it, and all the robbery of the Government which it involves. We have been, as has been well said, very liberal in the amount of subsidies granted to the roads referred to. I have nothing to say in regard to what has been done in the past, but I believe that it is for the interest of the country now to consider whether we have not gone as far as we should go. I know that very great and systematic efforts are being made to influence the present Congress to further action. Parties have gone to Washington and have hired ex-

pensive establishments, which they are going to keep open for the purpose of influencing our representatives. Money is flowing into the Capitol for that purpose, and I believe if the country could understand how much it has cost the Union Pacific railroad, and also the Northern Pacific railroad, to influence legislation in their own favor, the people would frown down every attempt of this kind. I believe it is all wrong, and I hope that this Board will put its veto upon any operations of that kind in the future.

But I do not wish to occupy the time; I cannot enlighten the Board at all; but I want to say to the delegates that the feeling, in my part of the country, is that vast sums of money have been expended to demoralize our Congress. Members go to Washington, as has been said, without money, and they return rich. We want to know how this is and why it is. We do not believe that things are right there. It is high time that the people of this country should ascertain what is being done at Washington, and how it is done. If some of the gentlemen representing the city of New York would tell what they know about these western railroad schemes, I think it would startle the people of this country. Enormous frauds have been practiced; enormous amounts of money are being paid to influence members of Congress. Members of Congress are rich in western lands. How is it? Where did they get them? I say, as I said before, that I believe there are gentlemen in this hall, who, if they would tell exactly what they know in reference to this matter, it would astonish all who heard them.

Mr. SNEATH, of San Francisco: I have been listening to the arguments which have been made upon this question with a great deal of interest. I have heard so much of the Pacific railroad, and we in California are so deeply interested in that and some other roads built or to be built from the East to the West, that I feel it to be my duty to give expression to my views on the question now before the house.

I believe that you have been overlooking the main feature in connection with this great question. It is not a question whether we shall get one dollar and twenty-five cents an acre for our land, but whether we shall greet the old world at our back door, or shall continue sailing round the globe as heretofore. That is the question. It is a commercial question, and in some form it has been agitated ever since civilization began. We have been looking to the Indies, naturally; the great wealth of our country is to come from there. We have been sending our treasure from the Pacific coast to the East, and have sailed further East until we have reached the back door of the continent. Is it wise to go on in this way? I claim that it is not,

but that it is our duty and privilege to open this back door, so that the commerce of this Eastern world can enter there instead of passing round the Capes. It is to be our privilege, I believe, at some future day to control the commerce of the world and the exchanges of the world. We have the gold, we have the silver, we furnish the medium of those exchanges, and we send that gold and silver to our English friends to buy the foreign exchange with which to purchase the teas and other products of the East when they are right at our door. Is this right? No. I claim that it is our business to open this Western country by the construction of other railroads, to offer competition, and to reduce freights, so that we can enlarge our commerce with China, the Indies, and with the old countries of Asia, until the commerce of those nations shall build up our country, as it has all other countries which have engaged in it. It is not a question, in a my mind, about a few acres of land, or a few dollars as the value of that land.

The argument that is offered by my friend from Philadelphia, (Mr. WETHERILL,) in relation to the limited quantity of valuable land in this country as a reason why the land should be held, I claim is the strongest argument that can be offered why the land should be given away. I invite my friend from Philadelphia, (Mr. BUZZY,) to pass over any one of those routes, either the Southern, or the Central, or the Northern, and before he reaches the end of any one, I venture to predict that all his poetry will ooze out of him. I have been over a portion of all of them. I have been in the dense forests and on the barren hills of the northern country, and I find that all our national law makers who visit that region, who have been accustomed to look upon those barren wastes and those dense forests as of no value, change their sentiments immediately on their return to the eastern slope. I am satisfied that the settlement of this question will be reached when Congress comes together again, and that it will be entirely different from what it was at the last session, for the simple reason that many of the members have been with us. They have seen the large extent of barren wastes, both north and south, and they can now vote intelligently upon the subject.

I would further say that it is very natural for us on the Pacific coast to favor any and all roads that may be coming to our side of the continent. It would be very natural for me, although I am here acting without any special instructions from the Chamber of Commerce of San Francisco, to vote that our Government should be liberal in its donations to roads that will open up our country and develop a trade with the old world, which will in time give strength

and commercial prosperity to the whole nation. I might say here that it is quite possible that many of you are not acquainted with the trade that is already in progress with those countries. There is a trade springing up with Japan and with China in the way of manufactures as well as agricultural products which would surprise you. New markets are constantly opening and we are satisfied that it is only a question of time when a very large portion of our products will be used among the Chinese, among those whom many of you are now in the habit of calling barbarians. I believe that that trade ought to be cultivated; that all these highways ought to be opened; that the great wealth of our country is really at its back door, and that instead of passing to the East, as we have been passing for centuries, we ought to turn round and move directly West. (Applause.)

Mr. TAYLOR, of Cincinnati: This matter has been very thoroughly discussed already and all I propose to do is to pick up, as it were, a few of the scattered crumbs of the debate. I shall vote for Mr. GANO's substitute, for it will enable us to build the Southern Pacific railroad. I believe that that road should be built because I am confident that had we not been at the time of the construction of the Pacific railroad engaged in war, that road would have been built first. It is passable at all seasons of the year, and not only that, but it will open up a richer and better country than the other roads; and therefore, as under that substitute Congress can grant a subsidy in land to that road, I shall vote for it. I am opposed, however, to the indiscriminate granting of lands to railroads and other corporations, and in case Mr. GANO's substitute shall fail, I shall vote for the proposition emanating from the Board of Trade of Newark.

I am not at all apprehensive, as some members here are, of the creation of any land monopoly through the granting of land to railroad corporations. I dismiss entirely the argument that has been used, based upon that apprehension. I have not the slightest fear that there will be any land monopoly in this country. As long as we do not adopt the law of primogeniture the land will be divided fast enough; but I contend that the building of these railroads in these remote regions of country does not add any value to the country. I take issue with every gentleman who has talked about the great development of the resources of the country by railroads. I say these railroads simply scatter our population and reduce the productive power of the country, because as long as there is land at home waiting for development and near to markets, the labor is better employed here; and I call every gentleman to witness whether the result of emigration to the West has not been that we have been

compelled to contribute to the support of the emigrants there for two or three years. The gentleman from New York, (Mr. OPDYKE,) assumed that the western farmer was in much better condition because he produced so much more on less capital than the farmer at the East. That is true. But what does he get for what he thus produces? No doubt a farm in the Connecticut valley, of the same number of acres, is a better property than a farm in Iowa and far better than a farm in Kansas. The farmer gets a much larger return or produces that which brings him more money because he is nearer to market. That is the simple fact; the building of these railroads scatters our population. They take out of the State of Ohio ten or fifteen thousand of our population every year, who have been prosperous at home, who had capital farms, and who were doing well. They go away into the wilderness and would starve for two or three years if we did not raise money for their support. Over and over again, we have been called upon to raise money for this purpose. It is a matter of public notoriety.

Now, I want to address a few words to my friend from New York, (Mr. CHITTENDEN,) for I really think he has forgotten what he said last year. His speech was in relation to granting a charter to a line of railroad from the sea-board to the great grain centre, proposed by Mr. RICHARDS, — a sort of chain-pump railroad, which was going to carry all the wheat of the country. My friend from New York, (Mr. CHITTENDEN,) was opposed to that, and in the course of his speech he said:

“It seems to me that this Board is in danger of taking a false step in regard to this subject. I cannot determine how far the gentleman’s arguments will prevail with those who are present, but I am perfectly certain that the public mind is poisoned in regard to the immediate necessity for a large increase of our railroad facilities. I am one of the youngest men among you, but in respect to this matter I am a very old foggy. I believe that this country is rushing madly on towards ruin, and I am exceedingly concerned about the flood of new railroad bonds now being pressed upon us.” He then adds: “I am opposed, therefore, and I believe that the sentiment of the country is thoroughly opposed to all recommendations to Congress to subsidize more railroads. We shall get them in time. The natural resources of this country will produce them. We are getting them rapidly enough.”

I endorsed that at the time, and I am prepared to endorse it now. I went perhaps a little further than my friend at that time, and laid down the doctrine, which I believe to be a correct one, that as fast as

the necessities of commerce call for a road, by some means or other that road will be built. I say it is bad policy, it is bad political economy, to waste the public lands of the country in building railroads into regions where they are not wanted ; and I declare to you, gentlemen, that if one-tenth of the money which has been expended on Pacific railroads had been expended in improving the internal communications between the settled States, it would have produced ten times more advantage to the country. There is the difficulty. We are throwing our resources away in building railroads into new territory ; before it comes to be occupied those roads will be worn out. The fact is, they are generally worn out at one end before they are finished at the other. We are now told that the interest on the Pacific railroad bonds is not paid, and the Secretary of the Treasury has at last awoke to the fact that he had better retain the money in his hands to pay that interest. The proposition of the gentleman from Milwaukie absolutely commits this Board to a recommendation of these grants.

Mr. WEST, of Milwaukie : This whole discussion seems to have taken a range entirely beyond the original resolution or either of the substitutes. No one of them says anything about a cash or bond subsidy, but there seems to be an effort to lay upon the question before us the odium attaching to the cash subsidies granted to the Union Pacific road, and we must all admit that there is more or less odium attaching to those subsidies.

Mr. TAYLOR : Your preamble, in fact recommends Congress to continue this system of making land grants. I am opposed to this system entirely ; but I say the southern people are entitled to a land grant to build that Southern Pacific road to develop the Southern States, as a matter of political and national justice. We had this matter very thoroughly considered in our Chamber of Commerce, and after a very long and exhaustive discussion, and after referring it to two or three Committees we arrived at the conclusion to recommend Congress to grant liberal subsidies in lands to the Southern road, provided they should be held open to actual settlers at a fair price. We would not advise the grant without that proviso. I think it is a very wise one. It will enable settlers to get the lands at a fair price. Lands which are worth one dollar and twenty-five cents an acre in the interior ought to be worth two dollars and fifty cents when the country is opened up.

I shall vote for Mr. GANO's proposition, merely because I think, through it, the parties interested in the Southern Pacific railroad may obtain a grant of land which will enable them to build the road.

Otherwise, I shall vote for the proposition from Newark, for I am opposed, on principle, to this whole system of giving away the public lands for the building of railroads, which I claim are in large degree useless; for, I repeat, they do nothing but scatter the population and reduce the wealth of the country.

Mr. RANDOLPH, of Chicago: I am entirely opposed to the proposition as submitted by the gentleman from Cincinnati, (Mr. GANO,) because I think it proposes to go too much into detail. If it is wise to give these lands at all let the railroad companies dispose of them as they may see fit, to actual settlers or others. If they are to be given to railroad companies for the purpose of constructing roads, then they are theirs, and let them do with them as they please. I prefer very much the substitute of the gentleman from Milwaukee, (Mr. WEST.) I do not think it opens the door too wide, but I should prefer to have an amendment which I will read:

Provided, however, that no conveyance of the public lands in aid of any proposed railroad shall be made until after the completion of the road.

In a word, I will give my reason for offering the amendment. The gentleman from Portland, (Mr. BROWN,) has intimated that the Northern Pacific railroad is likely to apply for a still further subsidy, and our friends from St. Louis have a proposition before us in regard to the Southern Pacific railroad, indicating that they want something beside a land subsidy. I do not believe, individually, that the Northern Pacific railroad will be built by those gentlemen for the land subsidy. I do not believe that the commerce of the country will justify it; but it will be built, probably, through the lands which will be very valuable, after the railroad connection is established, and there it will stop. If these lands are conveyed to them on the completion of every twenty miles of road, the great object which the National Government had in view, in donating them to the road will be defeated. I think that is true also in regard to the Southern Pacific. If these lands should be conveyed to them on the completion of every twenty miles, the railroad would extend a few hundred miles into the interior, and there it would stop, and the great object would be defeated. Hence I hold, that if the company apply to the Government for a grant of land to build a road across the continent, a proviso should be inserted in the grant, that they should have the land when their work was done, and not before.

Mr. TURPIN, of Chicago : This subject has been so generally and so ably discussed, that I shall only call attention, and that, but for a moment, to one point, that has been raised. The gentleman from Philadelphia, (Mr. BUZBY,) speaks of the public domain as a part of the estates of the Government, and it is to that point that I would call your attention for a moment. Many years ago in Congress, when an application was made by one of the interior States for a grant of land for school purposes, this matter of the public domain was very fully discussed, and it was held by the distinguished statesman of Kentucky, Mr. CLAY, and by the equally distinguished statesman of Massachusetts, Mr. WEBSTER, that the public domain of right should be used for the benefit of the persons living, or hereafter to live on that domain, and that it would be in contravention of the rules and usages of the Government, to donate those lands to any other people, or corporation. That interpretation has been held generally from that day to this. If we accept this principle, it will aid us very much in coming to a wise conclusion upon the subject now before us. If these lands are for the benefit of that particular territory, permit me to enquire in what manner we can better promote the interests of the people living there now, and to live there hereafter, than by opening a highway by which they can reach this land, and over which they can transport the products of their industry.

Accepting this interpretation, that the public lands are held in trust by the Government, for the benefit of the people living or to live upon them, I cannot see any possible objection to donating a part of those lands for railroad purposes, and on that ground, I shall vote for the proposition of my friend from Milwaukee.

Mr. WEST : I hope the substitute of my friend from Cincinnati, (Mr. GANO,) will not be adopted. It seems by the remarks of the gentleman from Cincinnati, (Mr. TAYLOR,) that it is intended to cover a special case, the building of the Southern Pacific railroad, while my own was intended as an expression of a national opinion, as I might say.

A great deal has been said in the discussion of this substitute about robbing the treasury, taking the money of the people, etc. ; and yet all these public lands, a portion of which we propose to donate to the building of railroads, have already been tendered to actual settlers. The question, therefore, comes right down to this,—and it is a very simple question,—whether the actual settlers shall take these lands for nothing without any railroad, or whether they shall take them at a very small price with railroads. That is the whole gist of the

question. It seems to me, that the gentleman from Philadelphia, (Mr. BUZBY,) cannot have understood the meaning of the substitute offered by me, when he made his labored argument against the monopoly of land, for this substitute provides distinctly and directly against any such monopoly by declaring that these lands shall be sold only to actual settlers, in limited quantities, at a limited price, being in that respect, in effect, the same as the resolution offered by the Board of Trade of Newark, which closes with these words — “And it is the opinion of this Board, that the public land should be disposed of only to actual settlers.”

The gentleman from Portland, (Mr. BROWN,) has opposed this whole system, not upon its merits at all, but simply upon the ground that it was prolific of great corruption in Congress. Now, if we cannot ask Congress for any kind of legislation, on any great national question, without fear of corruption, the quicker we have a radical change in Congress the better.

The question was then taken on Mr. GANO's amendment by yeas and nays, with the following result :

Yeas : Messrs.—

Able,	Gano,	McPherson,	Stanard,
Almy,	Goshorn,	Phillips,	Taylor,
Bonner,	Hazard,	Prindiville,	Verhoeff,
Brannan,	Lippitt,	Smith,	Vinal,
Cook,	Marsh,	Sneath,	Young.—21.
Davis,			

Nays : Messrs.—

Allen,	French,	Lathers,	Sealy,
Bagley,	Gilbert,	Libby,	Shryock,
Brown,	Grubb,	Malone,	Shurtleff,
Buzby,	Gunther,	Morris,	Stranahan,
Chittenden,	Guthrie,	Mytinger,	Swift,
Collier,	Hawley,	Ober,	Thompson,
Cooper,	Heald,	Opdyke,	Turpin,
Cummings,	Herron,	Plumer,	West,
Dater,	Holton,	Randolph,	Wetherill,
Dodd,	Husted,	Roe,	White,
Foster,	Johnson,	Ropes,	Williams.—47.
Fraley,	Kirkland,	Russell,	

So the amendment was lost.

The question then recurring on Mr. WEST's amendment, it was agreed to, by a vote of thirty-eight to thirty, as follows:

Yeas : Messrs.—

Able,	French,	Marsh,	Stranahan,
Allen,	Goshorn,	McPherson,	Thompson,
Bonner,	Grubb,	Morris,	Turpin,
Brannan,	Gunther,	Ober,	Verhoeff,
Chittenden,	Guthrie,	Opdyke,	West,
Collier,	Hazard,	Prindiville,	White,
Cook,	Holton,	Randolph,	Williams,
Dater,	Husted,	Roe,	Young,—38.
Dodd,	Kirkland,	Sneath,	
Fraley,	Malone,	Stanard,	

Nays : Messrs.—

Almy,	Gano,	Lippitt,	Shurtleff,
Bagley,	Gilbert,	Mytinger,	Smith,
Brown,	Hawley,	Phillips,	Swift,
Buzby,	Heald,	Plumer,	Taylor,
Cooper,	Herron,	Ropes,	Vinal,
Cummings,	Johnson,	Russell,	Wetherill.—30.
Davis,	Lathers,	Sealy,	
Foster,	Libby,	Shryock,	

Mr. COOK, of Cincinnati : Is an amendment now in order?

The PRESIDENT : Yes, Sir.

Mr. COOK : I move as an amendment, this additional resolution :

Resolved, That in the opinion of this Board, no appropriation of public lands should be made, in aid of public improvements, that are not unmistakably national in their character.

I offer this amendment and ask the previous question.

Mr. STRANAHAN, of New York : We are to reach, finally, the practical question, when we come to the proposition from St. Louis,

which I expect to vote for, and hope that a great many other gentlemen will do the same. I move that the resolution and amendment lie upon the table.

This motion was lost.

Mr. COOPER, of Pittsburgh : I want to make a suggestion to the gentleman from Ohio, (Mr. Cook,) and that is this : if he puts this resolution in the form of an amendment, it is liable to be defeated. If he puts it as a distinct and separate proposition, I think it will have the concurrence of every gentleman on this floor. As an amendment, I shall vote against it. As a distinct proposition, I shall vote for it.

The amendment was agreed to, by a vote of thirty-three to twenty-eight.

The question was put on the final passage of the resolutions as amended, the yeas and nays were ordered, and the vote resulted as follows :—

Yeas : Messrs.—

Able,	French,	Malone,	Stanard,
Allen,	Gano,	Marsh,	Stranahan,
Bonner,	Goshorn,	McPherson,	Thompson,
Brannan,	Grubb,	Morris,	Turpin,
Chittenden,	Gunther,	Ober,	Verhoeff,
Collier,	Guthrie,	Opdyke,	West,
Cook,	Hazard,	Prindiville,	White,
Dater,	Holton,	Randolph,	Williams,
Dodd,	Husted,	Roe,	Young,—39.
Fraley,	Kirkland,	Sneath,	

Nays : Messrs.—

Almy,	Foster,	Libby,	Sealy,
Bagley,	Gilbert,	Lippitt,	Shryock,
Brown,	Hawley,	Mytinger,	Shurtleff,
Buzby,	Heald,	Phillips,	Swift,
Cooper,	Herron,	Plumer,	Taylor,
Cummings,	Johnson,	Ropes,	Vinal,
Davis,	Lathers,	Russell,	Wetherill.—28.

Two-thirds not voting in the affirmative, the proposition was declared lost.

Mr. ROPES, of Boston, on giving his vote said: I wish to explain. I am entirely in favor of the last amendment, but if coupled with the general proposition, I am obliged to say no.

Mr. SHRYOCK, of St. Louis, said: I differ so widely from my colleagues, that I should like to say, in order to set myself right on the record, that I could vote for a part of the proposition, but not for the whole, and therefore I shall be compelled to vote against the resolution as now presented. I believe that St. Louis has a better way to suggest, and had Mr. STRANAHAN's motion succeeded, we could have relieved the house of all this difficulty. I shall therefore vote no.

XI. REVENUE REFORM.

That the subject of Revenue Reform be presented for discussion.

Mr. MARSH, of Buffalo: This proposition having been introduced by the Buffalo Board of Trade, I will say that the discussion will admit of, and probably take, a wide range; and inasmuch as the time is getting a little short, and as I have no doubt the subject will be pretty fully discussed in connection with the two following propositions, I move that we pass this over.

Mr. ROPES, of Boston: I move that subjects Nos. 12 and 13 be included. I move that the three propositions lie over together.

Mr. MARSH: I have no objection to that.

Mr. COOK, of Cincinnati: As an amendment to that proposition, I move that propositions Nos. 11, 12 and 13, be referred to a special committee of five.

Mr. WETHERILL, of Philadelphia: I hope not, and I will give my reasons for it. I conceive that we can have no more important subject than this before us, none better understood, and according to my view of the case, none upon which everybody here has more individual and distinct views. I believe it would be a waste of time to send so important a matter as this to a committee, for the reason that it would be impossible for any committee of five, so chosen, to represent the views of the Board upon it; they would meet and endeavor to find some basis of compromise, and when their report came before the Board, the whole matter would have to be taken up *de novo*, discussed *pro* and *con*, and the same amount of time expended upon it as if there had been no committee.

Now, Sir, this is an important matter; this is a national matter; and, to speak frankly, this is a matter that I hope some day or other

this Board will determine to have nothing to do with. I say so for this reason : That this Board has heretofore kept itself aloof from anything looking towards political action, and through the length and breadth of the land, this matter of the tariff has become a political question, and I would much prefer to see the resolutions upon the subject laid upon the table, so that we may act here as merchants, not as politicians.

Mr. LIPPITT, of Providence : I rise to heartily second the motion of my friend from Philadelphia. This is a political question, and if we entertain it here and discuss it, we shall certainly run into politics, which is the last thing which should be introduced into this Board. The tariff is a political question, of deep import to many of us ; to many of us of vital import. For one, I favor the suggestion which has been made, that the whole series of propositions be indefinitely postponed. We are not prepared to discuss this question. The whole land is alive with discussion upon it, and it would be useless for us to entertain it here, and delay our adjournment for a day or two, when I undertake to say that every gentleman within the sound of my voice has made up his mind on it, and that no argument which can be here brought forward can change him. The matter has been so thoroughly ventilated in every possible form, that we are about as well informed upon it as we possibly can be, and must before this time have made up our minds upon it. I therefore heartily second the motion of the gentleman from Philadelphia, (**Mr. WETHERILL,**) that questions Nos. 11, 12 and 13, be laid upon the table.

Mr. ROPES, of Boston : I should like to know whether a motion which is not debatable is to be brought forward in two very ardent speeches on the same side, full of assertions which can be contradicted, and the mouths of the rest of us closed, so that we cannot say one word in reply.

Mr. WETHERILL : I desire to call the attention of the gentleman from Boston to the motion to lay upon the table.

Mr. ROPES : The gentleman from Philadelphia, (**Mr. WETHERILL,**) made the motion, and made a speech, and another gentleman, (**Mr. LIPPITT,**) seconded it, and made a speech, and both speeches contain assertions which I am prepared to contradict and controvert. I certainly hope we are not to be gagged in this style.

Mr. RANDOLPH, of Chicago : I understand the mover to propose that the whole subject be laid upon the table. The proposition was that the three propositions be referred to a committee. It seems to me, from the expressions of gentlemen, that a two-thirds

vote cannot be had for any one of them, and consequently we should only waste time in discussion. I hope the Chair will rule that the motion covers all three of the subjects.

The PRESIDENT : I am of opinion that the motion should be made upon each of these propositions separately and distinctly.

Mr. COOK, of Cincinnati : I will explain very briefly the object I had in making the motion I did. These three propositions on the official programme may properly be regarded as one. They all relate more or less directly to a tariff for revenue, and it seemed to me that the best way to dispose of the three was to refer them to a committee, who might report to-morrow. In that way, we should reduce the subjects from three to one, and could embody everything that is necessary to say in one proposition.

Mr. ALLEN, of Philadelphia : I hope, Mr. President, that this motion to refer to a committee will not prevail. I think, if we are to consider this question, we had better consider it in open session where every gentleman can have an opportunity to express his opinion, and not refer it to a committee, to be composed of five or ten or any other number. I would ask the Chair whether a motion would be in order to consider propositions Nos. 11, 12 and 13, as one proposition. If so, we get rid of the repetition of the same line of argument that would occur in considering the three propositions separately.

The PRESIDENT : My opinion is that the subject now before the Board is the eleventh proposition. It is proposed to postpone the consideration of it, and, in view of that motion, the gentleman from Cincinnati has made a motion to commit. I did not understand that he made a motion to refer the other propositions at the same time.

Mr. COOK : Yes, Sir; that was my proposition, to refer the other two subjects.

The PRESIDENT : I should think that was not in order. The gentleman may make his motion to refer No. 11 to a committee, and then, when the other propositions come up, move to refer them also to a committee.

Mr. HOLTON, of Milwaukie : I shall support the motion to refer. Some friends of the tariff have come to me, and kindly asked if we could not in some way avoid the discussion of this vexed question here. I am not prepared to say either yes or no to that inquiry now; but I am certainly very far from being influenced by what the gentleman from Providence, (Mr. LIPPITT,) says, that we must not

treat this question, because it has to do with politics. No, Sir; we consider every question and any question that relates to mercantile affairs, and we are not to be driven from the consideration of this question by any cry of "politics." (Applause.) Every question which we have been considering may be called a political question, and rightly, too, because we carry all these questions ultimately to the polls; and this question will be carried there in time. We may be influenced to be sure, upon such a broad question as this, by the consideration of the limit of time, and perhaps it may become necessary to postpone its discussion, but not upon the ground which the gentleman from Providence has stated.

MR. ROPES : I wish to say that I should be very happy to vote for a reference to a committee, if I could see the slightest advantage to be gained by it, or that it would in any way advance the business before us; but it is perfectly evident that this is a subject of general interest, and all that a committee of five could do would be to talk it over from opposing points of view, and then bring it before the Board; and the Board would have to pull their report all to pieces, to dissect it, and it would be much better, it seems to me, to begin at that end, and let us compare and test our respective views on this subject. I have no doubt that it will be found, when we come to compare opinions, that a great deal of the sensitiveness that is supposed to exist upon these important subjects has no foundation whatever, and that there is a general, broad, basis of liberality and good-feeling; a willingness to look at the other side of the question, and a desire to unite in some general statement on this subject, which shall be, if you please, a compromise, but which, at any rate, shall be practical. I think we can all do each other good by letting each other know that our views are not so extreme as they are represented to be, and that we shall all receive some advantage from the views which our opponents present. I think, therefore, we should discuss this subject, compare views, and spend as many hours as may be necessary for this great object; present our facts and arguments, enlighten each other as much as we can, and so go home the wiser for coming together. But if we send this subject to a committee of five, who would be on many points diametrically opposed to one another, and who would come back and give us five conflicting reports, we should have five centres of divergence to work upon instead of one. I think we shall gain a great deal by not referring to a committee.

THE PRESIDENT : Will you permit the Chair to make a suggestion? I have not looked over this programme, but it appears to

me that the proposition coming from the Chamber of Commerce of Cincinnati, would fairly open this whole subject, and you might arrive at a fair conclusion on the subject before us, by agreeing to the motion to postpone the eleventh proposition, and then the next one.

Mr. MARSH : We hope that No. 11 will not be referred to a committee. We desire to have it postponed, because we are satisfied that when some other proposition is taken up, as the Chair has suggested, the subject will be fully discussed. We do not care to discuss it in the form presented by us. I hope, therefore, the members will vote to lay it on the table.

Mr. OPDYKE, of New York : I move that this and the two following propositions be postponed, and I ask the previous question.

The PRESIDENT : The proper order would be to postpone each one as it comes up. We cannot vote to postpone what is not before us.

Mr. OPDYKE : I make my motion then as applicable to the first proposition.

The question was then put, and the motion to postpone proposition No. 11 carried.

Mr. WETHERILL, of Philadelphia : I make the same motion in regard to No. 12.

Carried.

Mr. WILLIAMS, of Baltimore : I make the same motion in regard to proposition No. 13.

Mr. TAYLOR, of Cincinnati : We have been voting now on the suggestion of the Chair, that we had better postpone Nos. 11 and 12, because we should reach the question on proposition No. 13. Now we come to that proposition, and I am not willing to postpone that.

Mr. CHITTENDEN, of New York : I have no doubt there are a great number of gentlemen here, who would like to speak upon this subject. I should myself; but when we consider that the ablest men that this country has produced have for the last forty years been discussing the tariff; when we know that they have been unable to reach any unity of sentiment, or establish any permanent principle in respect to it, it seems to me simply preposterous for this body to suppose that it can intelligently and creditably discuss the question, and arrive at any satisfactory conclusion between this time and the time of adjournment. I should be very glad if I could remain here, and

listen to a great number of gentlemen who, I have no doubt, are capable of instructing me in regard to it, but it seems to me absolutely impossible that we should give it any proper attention. We certainly cannot hope, in discussing a question which has baffled our best men, and all our Congresses for forty years, and which now comes up again to tax their best energies,—we cannot hope, I say, to arrive at any conclusion which will be productive of lasting good, or be creditable to this body. I therefore hope that this proposition will be postponed, as the two preceding propositions have been, for the reason I have stated. (Applause.)

Mr. ROPES : I would like to say one word in reply to that. It is very true that this subject of the tariff is a much vexed question ; it is very true that all the wisdom of Congress in past years has not been able to arrive at any settled and definite conclusion with regard to it ; but the fact remains, that this subject is before the country all the time ; the fact remains that it has the closest connection with, and the most important influence upon, the interests of every one of us, and upon the material, and, in some respects, the moral interests of the whole country. Now, are we to say, that because we cannot agree on this subject, we will give it the go-by ; that because Congress has presented divergent views in regard to this question, we will not consider it at all ; that because our views are conflicting, therefore we will not make any attempt to get at the truth or an approximation to the truth ? If that principle had been adopted in the past, where would have been all the improvements of the age ? And how shall we learn anything unless we are willing to take time to compare views, weigh arguments, and listen to facts ? I hope that no such method of crowding out discussion will be tolerated. I hope we shall not adopt the principle, that, because we are not the wisest of the human race, we should not attempt to grow wiser ; that because Congress does not know anything, we should not attempt to learn anything. I hope we shall endeavor to obtain some wisdom by discussing this question, or, at any rate, that we shall not attempt to throw it out of the category of subjects proper for our consideration.

Mr. WETHERILL, of Philadelphia : I disagree entirely with the remarks of the gentleman from Boston, (Mr. ROPES,) and for this reason. The general question of free trade, as against the tariff, is perfectly understood, theoretically. No remarks upon the subject, on this floor, could add one particle to the information in regard to the theory of free trade ; therefore the only use of debate, as I understand it, would be this, that we should have to go over the

details of a tariff, because the question of free trade, with our enormous debt and our enormous interest, payable in gold, is not a question for us. It may be unfortunate, but when we require a hundred and twenty millions of gold coin to meet our interest, when we, having saved eighty millions of dollars the past year, are doing our best to say to the national tax-gatherer when he knocks at our door, "Sir, we do not require your services any longer, we do not want you to come near us;" it seems to me that any discussion of the question of free trade upon mere theory, (and, after all, it is mere theory,) is a waste of time.

Now, then, take it in detail; let us try to reduce the tariff. When we come to that question, my friend from Boston, (Mr. ROPES,) says to me, coming from Pennsylvania, "I conceive the duties on iron and coal to be extravagant," and then we have unpleasant feelings, and yet I conceive that all the talk upon that subject will not change the views of Pennsylvania.

Mr. TAYLOR, of Cincinnati: I rise to a point of order. The question before the House, as I understand it, is on the postponement of this proposition. On this question I do not want Mr. WETHERILL to enter into a discussion of the proposition. Let him hold himself close to the point. If it is to be postponed let it be postponed. If he wishes to enter into the discussion let him do so when the subject comes up.

Mr. WETHERILL: I do not desire to do so. I desire only to reply to the argument of the gentleman from Boston. He wants to discuss the question here, and I am arguing upon the uselessness of such discussion.

Mr. ROPES: I desire to explain. I have said not one word about free trade, and the proposition says not one word about free trade. I do not propose to discuss free trade, and yet the gentleman from Philadelphia, (Mr. WETHERILL,) argues, as I understand him, as though I wished to discuss that question. Again, he intimates that I wish to reduce the revenue, which the necessities of the Government would not allow. I have made no such proposition. On the contrary, I propose to get a much larger amount from the tariff, than perhaps he would do.

Mr. TAYLOR: I insist upon my point of order, that Mr. WETHERILL has no right to discuss the general subject upon a motion to postpone.

The PRESIDENT: The motion to postpone opens the whole question.

Mr. RANDOLPH, of Chicago : (Mr. WETHERILL yielding the floor.) The point is simply whether we shall have this question debated or not. That is all there is to it. I suppose every gentleman has made up his mind whether he wants to go into the discussion of this question. Will the gentleman from Philadelphia move the previous question?

Mr. WETHERILL : Yes, Sir ; I will. I will close my remarks, and move the previous question.

Mr. WETHERILL, at the request of several delegates, withdrew his motion to allow the question to be taken on the motion to postpone.

Mr. COOPER, of Pittsburgh : I desire to set myself right on one single point. I am rejoiced to see at the start that gentlemen on both sides of this question are in favor of postponement. When I left home it was with the conviction upon my mind that I would endeavor, if possible, to have this whole subject laid upon the table. I was met on my arrival by the fact that it had been previously discussed at Richmond, and that it was not possible to have it taken out of the deliberations of the body. I felt very sorry for it, and I am now exceedingly rejoiced to find that gentlemen on both sides of this question feel exactly as I do. Notwithstanding what has been said, I regard it as a political question, more so than any other that has come before this body, or probably ever will. It is a subject which has divided the people of this country extensively.

The PRESIDENT : I believe the gentleman is trespassing beyond what was understood to be the limit of the discussion.

Mr. HAWLEY, of Detroit : I entirely object to the gentleman undertaking to say that delegates representing both sides of this question desire the postponement.

Mr. WEST, of Milwaukie : I hope this question will not be postponed.

The yeas and nays were demanded on postponement, and the roll called. When the President's name was reached, he said :

By the rules of this body, as adopted yesterday, I am ordered to conform as nearly as may be practicable in the administration of this Chair to the rules of the House of Representatives. I believe those rules require, that unless my vote shall be necessary to change the decision of the House, it ought not, under ordinary circumstances, to be given. As I do not know how this vote stands, I will withhold my vote until the necessity for casting it arrives.

The call of the roll resulted as follows :

Yeas : Messrs.—

Allen,	Foster,	Marsh,	Thompson,
Bagley,	Gilbert,	McPherson,	Turpin,
Ballou,	Guthrie,	Morris,	Vinal,
Bonner,	Heald,	Mytinger,	Wetherill,
Chittenden,	Herron,	Opdyke,	White,
Collier,	Husted,	Randolph,	Williams,
Comly,	Kirkland,	Shryock,	Young.—34.
Cooper,	Lippitt,	Sneath,	
Dater,	Malone,	Stranahan,	

Nays : Messrs.—

Able,	Davis,	Lathers,	Shurtleff,
Almy,	French,	Libby,	Smith,
Brannan,	Gano,	Ober,	Stanard,
Brown,	Goshorn,	Phillips,	Swift,
Buzby,	Grubb,	Plumer,	Taylor,
Cook,	Gunther,	Prindiville,	Verhoeff,
Cummings,	Hawley,	Ropes,	Wessel,
Curtiss,	Holton,	Russell,	West.—32.

Yeas, thirty-four ; nays, thirty-two. So the motion to postpone proposition No. 13 was carried.

XIV. UNIFORM CUSTOMS APPRAISEMENT.

That the National Board of Trade be requested to take measures for securing uniformity in the appraisal of goods and levying of duties in the several districts of the United States.

Mr. ABLE, of St. Louis : I will move the postponement of that subject, because it comes under the same head as the questions we have just disposed of. It is certainly political in its character.

Mr. KIRKLAND, of Baltimore : Very clearly, the question of uniformity of customs appraisement, in the various ports of the United States, is not a political question. It is a question which interests the merchants of the different cities, whether the appraisement of New York should not be the same as that of Boston, Philadelphia and Baltimore. That it is not so, we all know. I have myself made a tabular statement, and I find that for a period of

twelve or eighteen months, I have been charged duties on coffee at the rate of one hundred and sixty-one and ninety-two one hundredths pounds a bag. In New York the importers have paid duties on no such weight. There should have been no such weight charged in Baltimore. It was excessive, because coffee is bagged one hundred and sixty pounds to a bag, which makes a difference of about nine cents a bag; and as we import some fifty-two thousand bags a year, you can imagine it makes a difference to us whether the duties are uniform.

This is not an analagous question to the tariff. It is a question whether the import duties collected in various parts of the country shall be uniform on the same article. We know that different standards have been adopted in different places, and that various rates of duties prevail on articles, according to those different standards; and we know that appraisers in some ports have estimated by one standard, and in other ports by another, making a very great difference in the duties paid by merchants in one part of the country and another. This proposition is one which this Board can very well and properly endorse, "take measures for securing uniformity in the appraisal of goods, and the levying of duties in the several districts of the United States." If there can be a more fair proposition submitted to any body of mercantile men, I do not know what it is. I do not think there is any question upon the programme that can require so little debate, or that commends itself so clearly to the approval of business men. That these duties should be uniform is obvious, and if they are not, it is the province of this Board to call the attention of the Secretary of the Treasury to the fact. I therefore hope that this proposition will pass, as it came from the Philadelphia Board of Trade, with a resolution that the Secretary be instructed to communicate the action of this Board to the Treasury Department.

Mr. ALLEN, of Philadelphia: I hope the motion of the gentleman from St. Louis, (Mr. ABLE,) will be withdrawn. It is a very different proposition from the three which have just been postponed.

Mr. ABLE: If the gentleman will allow me, in answer to his request to withdraw, I will say that I am always very liberal, and I have no objection to granting the request; but I like to see a little consistency about these things. We take up the subject of duties, just after having refused to consider the general subject of a tariff, in which every business man is so deeply concerned. But to accommodate my friend, I am ready to withdraw my motion.

Mr. ALLEN: I can assure my friend that there is nothing political in it. There is nothing in it but an equalization of duties.

Mr. ABLE: Oh, I believe in politics, myself.

Mr. ALLEN: I do not know what Mr. KIRKLAND's resolution is, whether it brings the subject up in a more direct form than we have brought it here ourselves or not; but he spoke of the difficulties he has experienced in regard to coffee. Now, you know, Sir, and other members of this Board know, the difficulties we have labored under in Philadelphia, on account of certain duties laid upon woollen goods. For instance, there is an article of goods imported into this country, of which the chain is cotton, and the filling, as contended by the manufacturer and importer, is calves' hair. It is claimed that there is not a particle of wool in those goods. They have been imported into New York, Boston and Baltimore, coming into New York at an uniform rate of duty, thirty-five per cent. *ad valorem*. They have been imported into Philadelphia through New York in that way, and the duties liquidated and paid. Now, our importers in Philadelphia concluded last spring that instead of having those goods come by steamer, at a high rate of freight, they could bring them by sail to Philadelphia, and, shipping them in the spring, they could come along in time for their fall sales. When they reached Philadelphia, the appraisers levied a duty of thirty-five per cent. *ad valorem*, and, contending that there was wool in the goods, they levied an additional duty of fifty cents a pound upon them. Those goods weigh two pounds to the square yard. You can at once see, that so far as importing any of that description of goods through the Philadelphia custom house is concerned, it practically came to an end on that point. The importers appealed to the Secretary of the Treasury, and he has confirmed the judgment of the appraisers. The Philadelphia Board of Trade have no objection to the duty being levied in that way,—thirty-five per cent. *ad valorem* and fifty cents a pound,—if that is the law, but they want the same duties levied in New York as in Philadelphia. Therefore we have offered this resolution to see whether some plan cannot be devised whereby an equalization of these duties at the different custom houses can be brought about.

It may be said that the general appraisers have entire control of this subject. I presume that when they were appointed it was for some such purpose as this. We have one of the general appraisers living in Philadelphia, but we cannot get him to take any cognizance of this subject, as it is managed in New York. I hope this resolution will receive the unanimous approval of this Board.

Mr. WETHERILL : This is really a more serious matter than my friend from St. Louis, (Mr. ABLE,) would imagine. Instead of being a political question, it is entirely in the interest of the importing merchants. I could name an instance, if I thought it proper, where, in consequence of this very inequality of appraisement, a large West India house lost its business, and within eighteen months had to retire, because at one port a duty of eight cents a gallon was levied on melado or purged molasses, and in another port two cents and a half a pound. That is one reason why we want action on this matter. I, as a West India importer, do not want to be charged two and a half cents a pound, because my molasses happens to be a little richer than usual, and an ignorant appraiser supposes it to be melado, when a New York, or Boston, or Portland importer gets it at eight cents a gallon. So in regard to ladies' cloakings, the duty is fifty cents in New York and one dollar in Philadelphia, simply because in one place they are regarded as made of calves' hair only, and in the other as having a small mixture of wool. The only thing that we could do would be to send a strong memorial to the Secretary of the Treasury, setting forth the evils of which we complain.

Mr. THOMPSON, of Baltimore : I would suggest that the resolution be amended by the addition of the words, that the Secretary of the Treasury, when issuing his instructions under the tariff to go into effect on the first day of January next, shall act upon the suggestion made by Mr. KIRKLAND.

Mr. HOLTON, of Milwaukie : Do I understand my friend from Philadelphia, (Mr. WETHERILL,) that this is a matter in the interest of the eastern cities affecting their trade?

Mr. WETHERILL : I desire to explain. The appraisers in New York, if you please, appraise melado as sugar, at two and a half cents a pound, and in Philadelphia it is appraised as molasses, at eight cents a gallon.

Mr. HOLTON : It is an evil, is it not, as it stands?

Mr. WETHERILL : It is certainly an evil in its effects.

Mr. KIRKLAND : At two and a half cents a pound, it will cost twenty-seven cents a gallon, gold.

Mr. HOLTON : I shall be very happy to vote for it, but I want to make a little bargain with my friend from Philadelphia, (Mr. WETHERILL.) I am willing to do everything I can for his business, but I have some little difficulties at home which I want to get over. I have to pay twenty or thirty thousand dollars a year duties on iron,

at fifteen dollars and sixty-eight cents a ton, and I want the Board to help me devise some way to get out of that difficulty.

Mr. WETHERILL: I want to make one remark. It is well known that one of the infant productions of the State of Wisconsin is metallic lead. That interest, in that young and growing State, produced last year about eleven thousand tons. Now, to protect that interest, what do I do, as a manufacturer of white lead? I mention this to show that I have no selfish interest in the matter. I would not have alluded to it, but the gentleman's reference to pig iron has drawn it out. I use about a hundred tons of lead a month, on which I pay a duty of forty-five dollars a ton, (using nothing but English lead,) to protect my friend HOLTON's infant enterprise out there in Wisconsin. I therefore pay a tax every year of forty-five thousand dollars, gold, in my own private business, simply that that interest in Wisconsin may grow, and in a little while stand on its own feet, and be able to protect itself. I don't say a word against it. I do it willingly. I do it cheerfully.

Mr. BROWN: I will ask whether the gentleman pays that or whether the consumer pays it.

Mr. WETHERILL: I was waiting for some quiet gentleman, like my friend from Portland, to put that question. My reply is ready. The duty upon pig lead is two cents a pound, on white lead three cents. Now, the difference between crude lead and the manufactured article is just ten per cent. How am I protected? I pay the State, City and Government tax upon my manufactured article, in all four per cent.

Mr. HOLTON: I do not want to call my friend to order, but we are not to have up this free trade question. I only want to make the little arrangement I spoke of. I never asked for any tariff duty on lead.

Mr. WILLIAMS, of Baltimore: I will reply to Mr. HOLTON. In offering the motion to postpone that resolution, I did not do it to keep any particular person or persons out of trouble; I did it to keep this Board out of trouble.

The question was then put, and the resolution adopted, as follows:

Resolved, That the proposition of the Philadelphia Board of Trade, being Article No. 14 on the programme be approved, and that the President and Secretary be instructed to communicate the same to the Honorable the Secretary of the Treasury, and to urge him in issuing his instructions and regulations under the new tariff to come into

effect on January 1st, 1871, to take measures to secure the desired result.

XV. POSTAL STEAM SERVICE.

Resolved, That the National Board of Trade requests the Congress of the United States to provide for the increase and equalization of the postal steam service, by additional subsidies to lines of steamers between the port of New Orleans and the principal ports of Europe, Asia and America.

On motion of Mr. STANARD, of St. Louis, this question was referred to a Committee of five, appointed by the Chair, as follows :

E. O. STANARD, St. Louis,	
AVERY PLUMER, Boston,	THEO. J. HUSTED, New York,
R. LATHERS, Charleston,	H. VERHOEFF, Jr., Louisville.

Nos. XXII, XXIII and XXIV, relating to the improvement of western rivers, and to bridges, were also referred to a Committee of five, consisting of

THEO. COOK, Cincinnati,	
BARTON ABLE, St. Louis,	FERGUSON SMITH, Louisville,
JAS. M. COOPER, Pittsburgh,	F. H. WEST, Milwaukee.

On motion of Mr. RANDOLPH, of Chicago, it was voted to adjourn on Saturday, at twelve o'clock, noon, for the purpose of making the excursion to Niagara Falls, and to hold an evening session after the return.

The Board then adjourned to meet on Saturday morning, at nine o'clock.

FOURTH DAY.

SATURDAY, DECEMBER 10, 1870.

The Board met at the regular hour, the President in the chair.

Prayer was offered by the Rev. V. R. HOTCHKISS, of Buffalo.

On motion of Mr. TAYLOR, of Cincinnati, the reading of the journal of yesterday was dispensed with.

The Secretary read the following despatch from the Postmaster-General, which was warmly applauded :

WASHINGTON, Dec. 9th, 1870.

HAMILTON A. HILL,

Secretary of National Board of Trade :

Return my thanks to the National Board of Trade for the resolutions in favor of abolishing the franking privilege. I deem their action very important, and believe it will have great influence in perfecting our postal system.

JNO. A. J. CRESSWELL,

P. M. General.

The PRESIDENT : I have a report to offer from the Executive Council, on subjects No. 2, and No. 3, referred to them by the Board.

The Executive Council have resolved to direct the Secretary to collect statistics and information from the members of this body, and also from the Boards of Trade and Chambers of Commerce, not members of it, upon the business and commerce of the country, and, from the best materials he can thus obtain, to furnish monthly tabular statements of the results, so as to indicate to the constituent bodies and other commercial organizations, the propriety of extending it further, and in that way endeavor to perfect a system of collecting

and disseminating information. And to aid the Secretary in carrying on this effort, for such desirable end, they have appointed a Committee, consisting of Messrs. GANO, of Cincinnati, PLUMER, of Boston, OPDYKE, of New York, and KIRKLAND, of Baltimore.

The PRESIDENT: Propositions No. 16 and No. 17 are nearly identical in language. They will be read by the Secretary.

XVI AND XVII. THE SPECIE STANDARD.

Resolved, That Congress should speedily enact such laws as will place the national circulation, legal tender, bank and fractional, on a specie basis, and that this is a necessity demanded alike by all interests, whether business or vested, as of primary importance.

Resolved, That it is of the utmost importance to the best interests of the nation, that the currency be restored to the specie standard at the earliest practicable time.

Mr. WETHERILL, of Philadelphia: I do not intend to occupy the time of the Board in any lengthy remarks upon the subject, but, merely to bring the matter up, I desire to offer the following resolution, reaffirming our action at Richmond, last year:

Resolved, That in the opinion of this Board, the best interests of the country imperatively demand the restoration of the specie standard of value at the earliest practicable period.

Mr. ALLEN, of Philadelphia: I do not rise to debate this subject; we have had a great deal of talk about it in all our Boards of Trade, among the people, and everywhere else; but the resolution of my friend, it seems to me, is one of those general resolutions which, as has been said here, do not amount to anything. Now, at the meeting of the National Board, held in Cincinnati, two years ago, my friend from Philadelphia, (Mr. BUZBY,) offered two resolutions. I did not approve of them at that time, but, Mr. President, I beg leave now to offer these as a substitute for the one offered by the gentleman from Philadelphia, (Mr. WETHERILL.)

Resolved, That the resumption of specie payments can only be permanently effected when full crops, successful industry, and restored political harmony shall cause gold to flow to us and not from us.

Resolved, That premature resumption would prove a curse and not a blessing.

Mr. HAWLEY, of Detroit: I am of the opinion, Sir, that we could not possibly do better than simply reaffirm the resolution which was unanimously adopted at Richmond, and which has been again introduced. I do not think we are prepared to indicate the precise circumstances under which we can properly resume specie payments, and come to what we all desire, a specie basis. We recognize it as a matter of imperative necessity, but we accept the necessary delay, and content ourselves with expressing our convictions that it is the duty of the Government to reach the desired result at the earliest practicable time. For one, I trust that we shall content ourselves with this simple expression, and not undertake to go into details as to the time or circumstances under which it can be effected.

Mr. TAYLOR, of Cincinnati: I move to amend the resolution presented by the gentleman from Philadelphia, (Mr. WETHERILL,) by adding a few words to it, so that it shall read:

Resolved, That in the opinion of this Board, the best interests of the country imperatively demand the restoration of the specie standard of value at the earliest practicable period, and that this can be best accomplished by a steady, moderate contraction of the greenback currency.

I believe that we never shall reach specie payments until we contract our promises to pay. Prior to the war, whenever our circulation exceeded two hundred millions, we had a financial crisis. We have now seven hundred millions of circulation. There is no doubt, that with an uniform currency, and a largely increased area for its use, we can bear more currency than before the war; but it must not be forgotten, that while our area has increased, the facilities for exchange have very largely increased; that express companies penetrate the most remote regions of the land, reaching every city and almost every village, and that where this state of things exists, there is no necessity for that amount of paper money which was required when there were no facilities for exchanges. I can remember going into Illinois at one time with eighty thousand dollars in bank bills sewed up in my coat, which I disposed of there in a few months. I was obliged to carry the money to the various points where I was purchasing produce and pork, because there were no banks in that country, and the places could not be reached by steamers. But now those places are reached every day by express companies, and there are banks and brokers and exchange offices in all of them. I believe that we shall never arrive at specie payments, (although we may come pretty near it,) until we contract

the greenback currency. A contraction of this currency would compel the national banks to contract, to some extent, their loans; perhaps not their legitimate, commercial loans, but those demand loans which are made on stock, to further stock-gambling operations in the city of New York.

I would like to see coupled with this recommendation another to this effect: That the Government should compel the national banks to hold the specie that they may draw as interest on their bonds, as a reserve in their vaults, until their reserve in specie equals the reserve they now hold in bonds. I would compel the banks to begin to fortify themselves against the day when resumption must commence. I believe it is only through the banks that resumption of specie payments can take place at all; that the Government must contract its currency, fortify itself with a sufficient amount of specie, and be prepared to redeem its greenbacks; and while this is going on the banks will place themselves in position to fall into line, because they will not know when the pinch will come upon them.

I do not know how it may be now, but last year, our friends from New York, while they expressed themselves very warmly in favor of the resumption of specie payments, reminded me of the man in New England who was very much in favor of the Maine Law, but entirely opposed to its enforcement! They were prepared to vote for a resolution in favor of the resumption of specie payments, but when a practical plan was pointed out, like your own, Sir, that a certain proportion of greenbacks should be taken in payment of duties, or, like that presented by Mr. ROPES, that a portion of the greenbacks should be funded, they were opposed to it. They told us it would be highly improper and indecorous to do more than express an opinion, because we had not got the report of the Secretary of the Treasury. We have that report at this time. It shirks the whole question. It is too deep for me. It dodges it, and makes no recommendation. Now let us see if we cannot make some recommendation which will reach Congress, because I know their desire is to come to specie payments at the earliest practicable period; but they say, "How shall we get there?" I do not believe there is a man within the sound of my voice who does not really believe that the only practical way of getting there is by contracting the greenback currency, and still we shrink from it, because it is thought to be unpopular.

Let me show you how this will work. If, coupled with this, you compelled the banks to hold the specie which they draw as interest on their bonds, they would take in about eighteen millions annually. That would relieve eighteen millions of greenbacks in their vaults,

because I propose that as fast as they hold this specie, the reserve in greenbacks may pass out. Therefore, if we had a contraction of three millions a month, we should only contract eighteen millions in the course of the year; and if we had a contraction of five millions a month, we should only contract forty-two millions annually, and of course should release eighteen millions of greenbacks as the specie came in. In a short time we should have a hundred or a hundred and fifty millions in specie in the vaults of the banks, and the retirement of this amount of specie from the Gold Room in New York, would, to a large extent, prevent those speculations in gold which prevail there now, and which are so disastrous to the business of the country. It would fortify our business men for the time when resumption must come, and the Government would be redeeming its promises. I am sick and tired of seeing the Government anticipate obligations twenty years ahead, while it allows its demand notes to be protested. It promises you, on the face of these greenbacks to pay them; you present them, and they are not paid; yet, at the very time that they refuse to pay these obligations, they are advertising two or three times a month to purchase obligations which have twenty years to run. I would see the Government keep faith, and I believe the only way we can reach this point is by contracting the currency, because if we had sufficient gold to-day to say that we would redeem our currency in gold, that condition of things would not continue two months. We have in circulation more money than our business requires, more money than is our rightful share of the money of the world, (that is more paper money,) and we cannot keep in circulation on a specie basis, any more money than is our fair share as compared with other nations. We have far too much, and if we concluded to redeem our greenbacks, it would run away from us immediately afterwards. It would be the very cheapest article that we have.

The system of clearing-houses, too, which we have established, will in a large degree lessen the demand for currency and facilitate exchanges, and, as I before remarked, I think there is too much stress laid upon what is called the increase of our country. I grant that it has increased largely, and with an uniform currency, we could keep much more afloat than formerly. I would be content to see, before attempting specie payments, three hundred millions of national bank notes, and one hundred millions of greenbacks; but I am satisfied we shall never be able to resume with seven hundred millions of currency. Mr. OPDYKE, in the very able and elaborate address which he gave us last winter, admitted that it would take a very long time to grow up to this condition of affairs, but he thought that in the

course of time we should grow up to seven hundred millions, and resume specie payments. Well, Sir, I would like to see it in my time. I have no particular desire to see it put off to my children or grand-children's time. I would like to see it come now, so that every article I use, and all those articles which enter into the processes of labor, may be reduced in cost. Prices are certainly as inflated now, or nearly so, (with the exception of a few articles, the price of which is governed abroad,) as they were when gold was two hundred and fifty; nor will they decline so long as we have this excessive amount of currency. But bring everything down to the specie basis, and those articles which we consume, and which are used in the process of manufacture, will decline in price. Then our manufacturers will be able to compete with the manufacturers of the old world; then we shall send a great variety of manufactured articles to distant countries, where we now have no trade, because every article which enters into the production costs such an exorbitant sum, under these inflated currency prices, that it is utterly impossible for our manufacturers to compete with the manufacturers abroad.

Reference has been made here to the great decline in our shipping interest. I believe that that decline is largely traceable to this irredeemable currency, which increases the price of every article that enters into the construction of ships, and enhances the cost of loading, victualling and manning them. We cannot compete with foreign nations, simply because everything we buy is gauged by this inflated paper standard. I do not believe we shall ever recover our maritime superiority, or the position we occupied before the war, until we come to gold. When we come to gold, when we lessen the cost of the construction of ships and the cost of running them, then we shall be able to compete, and not until then. Our tariff has had some effect in causing the decline in our shipping interest, but very little as compared with the malarious influence of this inflated paper currency.

I do not know what may be done by this Board, but I think it is idle now to simply resolve that we ought to return to specie payments at the earliest practicable period. I think any body of business men like this, compelled by their business, their every day interests, to consider this problem, ought to be able to present to Congress some definite plan of action. I believe that the only practical mode of reaching specie payments and maintaining them is by the contraction of the greenback currency, and therefore I close by again reading the resolution, which I hope the House will adopt:

Resolved, That in the opinion of this Board the best interests of the country imperatively demand the restoration of the specie standard of

value at the earliest practicable period, and that this can be best accomplished by a steady, moderate contraction of the greenback currency.

Mr. MCPHERSON, of St. Louis: I was in hope that the resolution offered by the gentleman from Philadelphia, (Mr. WETHERILL,) would be adopted without debate, as coming just about as near to what we should do as we can get so far as I can see. I am opposed to the amendment offered by the gentleman from Cincinnati, (Mr. TAYLOR,) because I do not think that contraction is necessary at this time. I think it may have the effect to disarrange trade, without accomplishing the object. That proposition is based upon the idea that we have too much currency to resume. That has been the doctrine ever since the war; and that very doctrine has sent nearly every gold speculator in New York to "where the woodbine twineth," that is the phrase, I believe. (Laughter.) But while that impression has been prevalent, and men have acted upon it, gold has gone down, and we have it to-day at ten and three-quarters. I want very much to see it at par; I agree that it is desirable for us to get to specie payments, but I do not want to affect trade and commerce disastrously, while we are getting there, any more than is necessary. Whenever we begin to interfere in the way of legislation, we bring about very different results from what we intend. Although a very young man, I can recollect something of the suspension of 1837, and I recollect that some of the States, like the gentleman from Ohio, (Mr. TAYLOR,) here, wanted to fix the time when resumption should take place by law, and they did; all the banks resumed specie payment on a given day. That resumption lasted about three months, when there was another suspension; and then the practical plan was adopted of letting the country force itself into specie payments. There is a public opinion strong enough in favor of resumption to bring it about as fast as possible, but to attempt to fix a time by legislation when it shall take place, I believe will prove a failure whenever it is tried. The growth of the country requires more circulation. We have seen gold go down, since the war, from forty to ten and three-quarters, and although it may still be, to some extent, embarrassing to commerce, yet I think we are getting at it by a more sure and certain method than by any attempts to hasten it by the plans proposed. I think the general declaration offered by the gentleman from Philadelphia, (Mr. WETHERILL,) may be adopted as the sentiment of this meeting.

Mr. BUZBY, of Philadelphia: After two years of mature reflection upon the proposition I submitted at Cincinnati, I see no

reason to change the opinion expressed in those resolutions. In reference to this whole subject, I may quote the great bard and say, "How blest are they whose souls have patience."

Not long ago I happened to be present at a conversation between two friends of mine, in which one of them was lamenting to the other some great trouble and anxiety under which he was laboring, expressing his fears that the thing might not work out well, and wishing to know how he could actively intervene so as to precipitate some desirable result. His friend replied that a great many things worked out their own salvation, if only let alone; that he might meddle too much. I often think what a blessed thing it is that the Creator has made his organic laws independent of our interference; that all the subtle forces of Nature, shown in vegetation, and in every other department of created life, are placed entirely beyond our reach; and yet these laws are always working in our behalf most beneficently, and never more so than in this very question of the resumption of specie payments. It is the labor of man applied to the soil, and attention to economy in his expenditures, that will bring us out of this dilemma; and, Sir, there is no quack medicine, there is no panacea, that we can devise that will relieve us from this necessity. You may legislate until the day of doom, interfere continually, show the utmost subtlety if you please, devise the most ingenious plans, and you cannot frame one that shall be effectual except that in which labor shall go on accumulating the material which will create a balance of trade in our favor which will enable us to establish and maintain our exchanges in such a manner that resumption shall be permanent.

I listened with extreme surprise to the remarks made on this floor, at this late day, by my intelligent friend from Cincinnati, (Mr. TAYLOR,) who has again advanced the proposition for a contraction of the currency. Shall we never learn? Must we pass on and be put under the harrow from year to year? Having tried the experiment and ascertained that it must result in defeat, shall we come again and gravely propound the proposition that this experiment shall be tried once more? Why, Sir, I undertake to say, that if you put this proposition before the country, for a popular vote, not one man in fifty would sustain it.

Cannot gentlemen be content with this rapid reduction in the rate of gold? Have we not been remarkably successful in arriving at the point where we are, without a great convulsion? Compared with what attended the experience of Great Britain, when after the Napoleonic war she resumed, our course and our success have been truly wonderful. We have had no flood of ruin spreading over the land,

but we have gradually and serenely advanced, and shall continue to do so in the future if we do not attempt to interfere.

I do not want to see the era of low prices to which reference has been made. I do not see that the high prices are so great a misfortune, for all prices have accommodated themselves to each other. I do not find that we are laboring under any terrible difficulty in this respect. But, Sir, if you adopt a policy which will at once disarrange the entire trade of the country, if every merchant shall be in doubt about laying in his stock of goods, and every buyer hesitate to purchase, in order that we may arrive at this desired point of low prices, what can we claim to be the advantage of such a course as that? I presume that the gentleman from Cincinnati means that by the resumption of specie payments we shall enjoy a period of prosperity, but he proposes to reach that through a time of great suffering? Why should we incur that suffering? Can we not be content to travel quietly along this road, having found we are moving successfully towards the desired goal, or must we continue to tinker the currency, until at last an absolute disorganization of the trade of the country shall follow? I do trust that we shall permit this subject to rest upon the simple natural progress and increase of the wealth of the country, and that we shall imitate the example of Mr. Secretary BOUTWELL, who, I think, has shown remarkably good sense, in letting the matter alone.

Mr. OPDYKE, of New York : I rise to make a few remarks on the amendment of my friend from Cincinnati, (Mr. TAYLOR,) and, first, I must express my surprise that a gentleman of his ability and experience in mercantile matters should present to this Board such a proposition, especially in the light of the experience of the last year. Since we met at Richmond a year has elapsed without any other congressional action than that of authorizing the substitution of bank note circulation to the extent of some fifty millions for greenbacks, and the passage of a funding bill which has proved entirely inoperative. I think every sincere friend of an honest currency will say that the first-named bill, as far as it has produced any effect at all, has been injurious and not beneficial. It is simply disturbing the relations of our two kinds of paper money, by lessening the volume of the better of the two, and increasing that of the weaker, which constitutes the superstructure resting upon the greenbacks as a basis. The sagacity of the people has prompted them to let that bill severely alone, for which I feel inclined to thank them. I believe that applications have been considered and approved to the amount of two millions additional bank note circulation, and the calling in of two millions of greenbacks. I should be glad if it never went further, because its only effect is to

weaken the character, the credit, and the stability of our paper money. There has been no effective legislation since we met at Richmond, and what have we experienced? A season of at least average commercial prosperity, a rapid strengthening of the resources of the country, and a rapid appreciation in the value of our paper money. A year ago, I think, the premium on gold was upwards of thirty; to-day it is but eleven. Why will not the gentleman from Cincinnati, (Mr. TAYLOR,) be satisfied with that onward march towards a surer and better condition of our paper money? His proposition is to aid and stimulate it, and perhaps precipitate a return to specie payments by a contraction of the currency. Is he not aware that this growth of our interior commerce which is going on and in an increasing ratio, by the extension of our railroad system and by other collateral causes, is itself an indirect contraction of the currency to the extent of about thirty-five millions a year; if his estimate of the entire circulation—seven hundred millions—is correct? I believe he has placed it too high. I think it is about six hundred millions, exclusive of the greenbacks, which are held by the banks as the basis of their circulation. If one is held for the redemption of the other, they cannot both be held for circulation, and one hundred millions must be deducted. Now our population increases, as we all know, at the rate of about three and a half per cent. per annum. We all know that at the present time our commerce, for the reasons I have just stated, the extension of our railroad system, and the increase of the means of commercial interchange, is increasing more rapidly. I estimated it, a year ago, at five per cent. That, too, is compounded. My five per cent. for this year is more than last year. If those estimates are correct, we have contracted our currency thirty millions since we met at Richmond a year ago. Is not that sufficient? Do we not all know that this is pressing the mercantile interests quite as much as they can bear? Is it not pressing other industrial interests so that if you were to increase that pressure, you would be likely to break the spring and have a collapse?

But the gentleman wants to get back to specie payments at an early day. Let me tell him if he desires that, he will accomplish his object more certainly by letting well alone, than by attempting to interfere, and by increasing the pressure bring about a suspension of payments, a general condition of insolvency, an arrest of the progress of our public works, and, in a word, the destruction for the time being of the prosperity of our country. I feel that the time is not very far distant when this indirect contraction of thirty millions, five per cent. on six hundred millions, will be more than the extended condition of our

commerce and the very active and earnest development of all branches of productive industry will be able to bear, and we shall have, unless it is prevented by the interposition of the Government, a financial crisis that will result in a modified form of this general insolvency to which I have referred. But it is in the power of our Government to prevent it. If such a crisis should arrive, the Government has only to do what the British Government has always done under similar circumstances, — authorize a temporary issue of paper money to break the force of the panic, and the moment the crisis is past return to the previous condition.

It happened to me to be in Great Britain in 1857, at the time of that intense panic which caused the banks to suspend, and which caused so many mercantile failures in our country. When that panic was culminating there the excitement was intense. Some of the Scotch banks had suspended, and there was a feeling in Liverpool of the greatest anxiety. During the day I was in the Liverpool Exchange, the news was flashed along the wires that an order in Council had authorized the Bank of England to violate its charter; in other words, to issue as much paper money as was necessary. In an instant the panic was broken, and further failures were averted. That I hold to be the true policy. We have never had that safety-valve here. In 1837 the banks all suspended, after breaking nearly every merchant in the land; and in 1857, when the expansion had not been so great, they produced innumerable mercantile failures before suspending themselves, and came very near doing it again in 1860, but by a wise policy, by increasing their discounts, a panic was avoided. We want to prevent these panics; they are the ruin of the country. Let us be content to leave well alone, and my word for it, we shall reach the goal of specie payments at a much earlier day than if we attempt to precipitate it by aggravating the danger and hastening the advent by a financial crisis.

I think I can best illustrate my views on that point by an incident which occurred in my native town, where the highway made a circuit round the foot of a very steep hill. Pedestrians usually went over the top of the hill instead of around by the road, but at length it occurred to a mechanic, whose duty called him over the road every day, that the vertical route was perhaps as long as the horizontal one. He took occasion to measure it, and he found that by taking the highway he not only avoided the labor of ascending and descending the hill, but that the path was shorter in distance. He found that what others deemed "the farthest way round" was "the shortest way home."

That, I think, is the case with the road to a resumption of specie payments.

Mr. CHITTENDEN : We have the highest authority for saying that there is a time for everything; "a time to plant and a time to pluck up that which is planted." There was a time for Congress and for commercial men to do something about the resumption of specie payments, but it seems to me that time has passed. I stand by every sentiment I expressed at Richmond a year ago on this subject. I believe that the best time and the proper time for the country to have resumed specie payments was immediately after the war. When gold went down to one hundred and twenty-five, if the men of this country and Congress had dared to do what was right, and contract the currency, we should have had specie payments long ago; but we should not have had the great development of railroads which has come as an incident to our paper money, and which may yet prove, contrary to all history, that a great war and paper money may possibly be a great blessing. It is a question to-day, in my judgment, whether the enormous costs of the war are not to be compensated by the building of fifty thousand miles of railroad through the means of the inflated currency which Congress refused to contract at the proper time.

Let me not be misunderstood. I do not say that will prove to be true; but I say we have gone so far that the test is to be made. The people of this country will not listen to the proposition to contract the currency. I believe there is a great deal more paper money than we need. I think that if anything was necessary to prove this, the bill passed just before Congress adjourned, increasing, practically, to a slight extent, the facilities of our paper circulation, and the treatment that bill has received, show that there is more paper money than is necessary.

But let us not forget that we have gained much during the past year. It may be questioned whether any nation with a financial situation so threatening as ours was a year ago, has ever made greater progress towards a safe position than we have. What have we accomplished? We have apparently reduced the price of gold from one hundred and thirty to one hundred and eleven, and the prospect is that it will hold at about that point quite uniformly. We have killed speculation, in a very broad sense. We have not killed speculation if gentlemen mean that the projection of railroads, where they can be built for from sixteen to twenty thousand dollars a mile, is always and in every case speculation; but so far as the spirit of the people is concerned, I contend that speculation is at a lower ebb to-day in this country than it has been for many years. What is the mean-

ing of the general dulness in trade which we all notice and which is everywhere spoken of throughout the country? Does it mean that any of us deprive ourselves of any of our wants or luxuries? Does it mean that consumption is not going on to the extent of the ability of the people? No; but it means that there is no spirit of speculation in the minds of merchants; and if a merchant from Buffalo or from Chicago goes to New York to buy his goods to-day, he buys just what he wants; he cannot be convinced that there is to be a short supply, and that it is desirable for him to buy twice the amount he really wants, as prices may advance next month. We have to subtract, in New York, the spirit of speculation, and the amount of business which always comes from that spirit, and which is a larger element in our business than we are apt to estimate. My experience teaches me this; that we have always dull business in New York when men buy just what they want; when dealers who come from remote parts of the country to lay in their stocks are impervious to all arguments or inducements to make them believe that there is to be a scarcity of commodities; when they buy this week what they want for the next, and trust to the next to buy what they want for the following week, then we always have a dull business.

Now, what occurred during this last season? We have had during the year 1870 a rapid fall in gold, and, at the beginning of the year a very serious depreciation in the price of merchandise. That continued until June, when people began to reason that the crops were very promising, and we should have a grand business in the autumn; and, but for the breaking out of the war in Europe, New York would have been alive in July with merchants from all parts of the country, laying in their supplies on the strength of the prodigious grain crops of the West, for they reasoned that those great and unexampled crops would produce a very active business. But what came? Everybody held back. There was no speculation as is usual in June; there was no speculation in July. On the first of August, merchants began to visit New York, but they held back to see the result of the first clash of arms on the Rhine; on the 10th of August they were still befogged; on the 15th of August, buyers were accumulating from all parts of the country, and yet no man dared to act. By about the 20th of August, they got tired of paying their hotel bills, and for six weeks there was prodigious activity in New York. The dealers rushed into the warehouses and purchased their goods as if there was to be from that time forward an utter ignoring of the state of Europe, and as if trade had finally commenced for the season. What was the result? It went on until about the 25th of September. Having

spent three months in Europe, I arrived home on the 27th of September, and I said to my partners, "what about business?" "It has been very active up to yesterday," they said, "and it will come again next week." I said, "I think it will not come next week. You will have a depreciation in your merchandise from this day;" and to-day, the goods I deal in are fifteen per cent. cheaper, on the average, than they were on the 27th of September; and my friend from Cincinnati, (Mr. TAYLOR,) ought to know better (begging his pardon if I seem discourteous) than to talk about the prices of commodities being equal now to the prices when gold was two hundred. What is the price of coal? What is the price of flour? What is the price of the cloth you wear? What is the price of all the commodities that your families consume? Sir, we are approaching very near the comparative value of gold in the prices of our commodities.

I did not intend to detain you a moment, and had no thought of entering upon this question when I got up; I merely meant to say, that I believed the time had passed for talking about the resumption of specie payments. The subject will take care of itself, but it will bring the country to ruin inevitably now. It is too late to do anything for it. We have got gold down to one hundred and eleven. Let us accept Mr. OPDYKE's policy, if you please, that we cannot resume until six, seven, eight or nine years from this time. He may possibly have changed his mind since last year a little; I think he will have to change it a little more. I think we have got along so fast this year, that we shall resume before we anticipate. My conviction to-day is, that we shall resume in one of two ways: We shall either make the attempt, by-and-by, to resume specie payments, with all our currency afloat, practically, and utterly fail after a while, when the first distress appears; or, we shall go on as we are going, and resume specie payments at the end of a commercial crisis. It is not to be supposed that we in this country are to avoid such catastrophes as we have hitherto always periodically experienced, and it is certainly not to be, unless it is to turn out, as it may, possibly, that our war, instead of impoverishing, has enriched us; but there is this very practical and decided evidence before our eyes everywhere throughout this country,—a most remarkable phenomenon—that we see ten rich men where there was one before, and the ten are ten times as rich as the one was before, if what they possess is worth anything like what they estimate it at. And it does seem to me, when I look upon the enormous increase of wealth, or what is called wealth,—let me not be misunderstood, I do not say it is wealth; but I say, that when I calculate what the people of this country possess to-day, and

its money value, it seems to me that all the laws that have hitherto been accepted as proved in regard to the ruin and waste of war, are to be reversed in our case, and that History will say, that the great rebellion was necessary, or, if not necessary, that the most magnificent development of our country was an incident of the great rebellion, and of the prodigious amount of paper money which consequently was circulated through the country. I am in favor of letting this subject, as Mr. OPDYKE expressed it, severely alone.

Mr. WETHERILL: I entirely agree with the remarks of the gentleman from New York on this subject. When we compare our present position, with gold during the year 1870, at an average of one hundred and fifteen with that of 1869, when the average price of gold was one hundred and thirty-four, it seems to me it should teach us the lesson to be satisfied when we are doing so well, and not attempt any new policy at the present time.

There is another fact, which has not been touched upon this morning, which I think should be alluded to; we have not only been able by the policy,—the just and sound policy of the Secretary of the Treasury and of the Government, to hold gold at the comparatively low price of one hundred and fifteen, but I call the attention of the Board to this fact, that we have reduced the price of gold to that rate, at the same time that we have been relieved of a burden in our taxes, amounting to not less than eighty millions of dollars. Eighty millions of dollars have been taken from the shoulders of the people of this land during the year 1870, and yet, in the face of that great reduction, in the face of that draft upon the Treasury of the Government, and notwithstanding it, we have had the price of gold at so low a rate for 1870. And, Sir, it seems to me, from the reduction in the expenses of the Government, that in the year 1871, we shall probably have a like relief. When I consider that we are still annoyed with the Government tax-gatherer at our doors, that the trade of this country is thus clogged, that we cannot issue a note, if it is but for ten days, without having a stamp upon it, that a tax is put upon notes which oftentimes amounts to more than the interest, I say we must remove that clog, we must do away with all unjust, unfair, and iniquitous taxation. I hope I may be pardoned for alluding to one most unjust tax under which we suffer; I mean, the income tax. Let us have that removed, but let us not contract, let us not place ourselves in such a condition that we cannot remove from the shoulders of the people these weighty burdens. If we can do that, and by our vast resources, by our crops and manufactures, growing so rapidly up to the volume of the currency,—if, I say, we can do that, and bring ourselves, within a year, or within eighteen

months, to a specie basis ; let us not forget, that the merchants on the one hand, and the people on the other, the laborers, those who bear the taxes and those who pay them, must equally be considered.

I notice, Sir, that in the expenses of the Government for 1871, as compared with the expenses of 1870, the reduction will be about twenty millions. That only shows the policy of the Government to be a wise, safe, economical and honest policy. I notice also, that President GRANT, in his message, expresses his desire for wise and prudent legislation by Congress, but he does not indicate what that legislation shall be ; and I doubt very much whether it is in the power of Congress to indicate what that legislation shall be, for we cannot see into the future, and we only judge of the past by its results ; and as we have been successful, I am satisfied that by merely reaffirming our action at Richmond, we shall do all that it is wise for us to do at this time. I will say as has been so well said by the gentlemen who have last spoken, " Let well enough alone."

Now, Sir, a proposition has been presented by the Philadelphia Board of Trade, to which the gentleman from New York, (Mr. CHITTENDEN,) has slightly alluded, upon which I desire to say, only a word, as probably one of my colleagues will speak upon it. The gentleman from New York, (Mr. OPDYKE,) has alluded to finances in England, and to the influence of the Bank of England upon the trade of that country. It is true that the Bank of England, as managed at the present time, is of great benefit to that country, by regulating its finances, because, when it raises or depresses the rate of interest, the merchants are forewarned in a measure of what is to come. If they see the rate of interest gradually advancing, they begin to hug the shore, and guard themselves against the perils of the future. It seems to me, that if such a plan could be devised here, it would be an useful one. If we could have such warnings, we should have fewer panics and fewer failures. But, unfortunately for us, as Mr. MUNDELLA said the other day in New York, we are in a very different position from England. That gentleman is at the head of one of the largest manufacturing establishments in Nottingham, and is one of the most experienced members of Parliament, sitting for the borough of Sheffield ; yet he told us that he was unable to place in the custom house or in any of the public offices, a single person. That is the secret with regard to England ; and when I imagine the starting of an United States Bank, if you please, I see that in the hands of the men who control this Government, a far different state of things exists, from that which is to be seen in connection with the Bank of England.

Mr. OBER, of Milwaukie : It is with the feeling that I may be subjecting myself to the charge of presumption, in rising to join in the discussion of a question of such magnitude as that which is now before us, but affecting, as it does, all the varied interests of the country, I am impelled to venture a few remarks.

The public mind is thoroughly alive upon this question, and it is now attracting the most earnest consideration. As it is generally anticipated that Congress will adopt some necessary measure looking to an early, if not an immediate resumption of specie payments, it becomes us to give this matter our most careful and deliberate consideration before endorsing a policy which shall go forth from this body as our judgment on this vital question.

I do not propose to consume time by naming and discussing the several policies which have been devised for the return to specie payments; the most of you are more conversant with them than I can claim to be; but I will say that as far as I am advised with reference to them they nearly all agree in one important feature, namely, that we are going to specie payments upon the present volume of circulation; that there is to be no reduction of our present currency in amount, although the present proportion of greenbacks and bank notes may be changed.

Looking back over the history and working of our present system of finance we certainly have great cause for congratulation: we were carried by it through a momentous period, while the industry and general interests of the country have been sustained and promoted in the development of our national resources. Through the working of this system we have witnessed a steady and rapid decline in the premium on gold, which at one time reached the high point of one hundred and eighty-five and is now down to about ten per cent., a result more favorable, I feel warranted in saying, than was anticipated by the founders of our financial system, the heads of our government, at this early period. But notwithstanding this satisfactory result, the judgment of the entire country seems to be unanimous that a return to a specie basis is absolutely necessary for the permanent and best interests of the country. And there is a conviction almost unanimous, that with gold down to ten per cent. premium, it requires but a small effort on the part of the Government to accomplish that most desirable end. And on this pressure of public opinion and the probability that Congress will make the effort to restore the specie basis, I hold, Sir, that to fairly understand and fully comprehend our real financial condition, which we should by all means do, if possible, it is necessary to go back to the circumstances under which our present system of

finances was inaugurated, and see if we can ascertain and determine its real character and the laws which govern it. It is known to all of you that previous to the war our circulation was furnished us by the banks of the country, based upon the redemption of their bills in specie, when presented at their counters, and, failing to redeem their notes, their doors were closed, and they were pronounced as having failed.

Immediately on the opening of the war a suspension of specie payments followed, and the first financial measure of the national Government for raising means to prosecute the war was the issuing of demand notes to the extent of sixty millions, which, it was thought, would be sufficient to carry us through the war, "for sixty days," the time it would last, as predicted by Mr. SEWARD. But it was soon found that this financial measure was not at all adequate to the wants of the Government and an entirely new system was devised and projected, and in establishing this new financial system the old one of bank circulation was abandoned and all the banks were wound up. Here then was a new era in the science of finances; *not only a suspension of specie payments, but a total abandonment of the specie basis and the adoption of the basis instead of the legal tender issued on the faith of the Government.* And it is right here, Sir, as I view it, the key is furnished us—the abandonment of the specie basis and adoption of the faith of the Government in lieu thereof—which opens up to us the real character of our financial system, and we can determine the laws affecting and controlling the values of this country. It is conceded that values of property are governed according to the volume of circulation of money, and having made legal-tender money, which I will here add is limited and confined, in its circulation, to this country—not a dollar finding a footing or affecting values outside of this country,—I maintain that the present premium on gold is no indication of our legitimate approach to a return to specie payments, even should it go to par, as the laws of our own special system are still in force and the true laws of finance, as established and recognized by the world, are not in force or applicable as touching and affecting our present circulation.

Without detaining this Board to follow up this line of argument to sustain me in the views which I hold of our real condition, financially, it seems necessary that I should explain by what laws, whether those of our system or the true laws of finance, the present premium in gold is governed. And to do this I further maintain, we are in the anomalous and extraordinary condition of having in force two standards of value—that of our greenbacks and that of our bonds. The

latter, Sir, have been thrown upon the market of the world, and their value is measured by gold—the world's standard of value—and the premium on gold is controlled by the value of our bonds to a very large degree, while our circulation, greenbacks and national bank notes, are not under control of nor is their value measured by any acknowledged standard of value; they are still resting on their first and only basis, the faith of the Government, payable at its pleasure.

Mr. President: I have already trespassed beyond my time. I must close abruptly. Viewing our situation as I do, I see no other remedy but a contraction of our currency, which must be very slow and continued until we touch the specie basis—a level of values. There is no other way.

Mr. GRUBB, of Philadelphia: *Mr. President*,—I wish I had the ability and the confidence in myself,—I have the courage,—fitly to elaborate the plan which I am sure will afford a complete solution of this problem. I think the whole thing is in a nut-shell.

There is a transposition of the means, material wealth and commercial equivalents of the country, and it is this which prevents a return to a specie basis. Thus gold is in one place, circulation in another, and banking elsewhere. Under the plan which will solve the problem, they will be harmonized; and the Treasury of the United States worked as the head of the existing banking system, as the Bank of England works, as the three National Banks which were chartered by this Government were worked, will supply the needed remedy. They paid every thing they owed to the uttermost farthing, enabled the Government to discharge the war debts of the Revolution, and of 1812, and were put aside, not for any evil they did, but for the wrong it was feared they might do.

To such an independent working head must be assigned the defaulting national circulation, if it is ever to be brought to and maintained at the specie standard.

I stated this opinion at the Richmond meeting, as will be seen by reference to the report of its proceedings. I reaffirm it now. It is my conviction now as it was then, and it is more deeply rooted to-day than it was then.

What is the cause of this trouble? It is simply, gentlemen, because we are dealing with falsehood. What if we were thus dealing in the paper of these estimable merchants who compose this Board, at discounts varying in three months from ten and a quarter to twenty-four and a half per cent? *They could have no seats here.* That is the point. We are dealing in falsehood; and falsehood has its hour, but has no future.

It is a future of confidence, a future of exact values, which alone will restore us to the rock basis on which we should stand. An honest dollar has a real intent, that which we have has a further purpose whilst performing its duty, and it should be scouted from every avenue of honest trade.

Mr. President: There is no theory in this. Massachusetts and New York may theorize, yet it is really a question of courage, and it is our cowardice and our greed which prevent resumption.

My friend from New York, Mr. CHITTENDEN, has said that we shall resume after bankruptcy. I think the gentleman said so. (Voices—"Yes.") I propose to avoid bankruptcy. I propose to introduce into finance, as was introduced into the rebellion, martial law.

Mr. OPDYKE, of New York, stated at Richmond, and repeats it here to-day, that we are gaining five per cent. per annum in national wealth, and that in the course of five or six years, these accumulations will thus close the gap. We may be gaining five per cent. per annum, though I doubt it, still his plan does not embrace any provision by which this five per cent. may be laid aside for the day of resumption. As a result, it disappears under the expulsive force of our irredeemable currency. Mr. OPDYKE did not say what has occurred since our Richmond meeting, that gold has fluctuated from twenty-four and one-half to ten and one-quarter per cent. premium, showing the instability of his means of resumption.

I do not propose to occupy the time of the Board very long. I maintain this to be the only safe solution of the problem, and that without it, we shall—I believe with Mr. CHITTENDEN—have to reach the end through bankruptcy.

In a word, the United States Treasury must be the head, and the present national banks the subordinate agents of a perfected banking system, if we desire resumption. There must be no antagonism between the banks and the treasury.

The fact that one man has four hundred millions of dollars annually under his control and at his disposal, raising it at will above the uses and wants of trade, is an inherent difficulty in the matter. He lifts, arbitrarily, the hundred and eighty millions of gold received into the customs every year, out from the operations of trade and commerce, whereas it should co-work and be incorporated with them.

I believe that the receipts of gold into the customs, (probably one hundred and eighty millions the present fiscal year,) under the directing head thus proposed, with these proper subordinates, the present

banks can bring about, within a year, an entire resumption upon the greenback circulation of the United States—three hundred and fifty million dollars.

There is, as Mr. OPDYKE has stated, about six hundred million dollars in current circulation. There then yet remain two hundred and fifty million dollars, which, in a reasonable time may, I verily believe, by the same means, possess the same quality. A controlling head, having all expedients at command, is then charged with a duty which at present is delegated to no one.

Gentlemen speak of redemption by gradation—redeeming a certain amount of greenbacks at specific periods, and thus by gradation in time meeting the whole. Then it is proposed by some to take into the customs, from time to time, a proportion of greenbacks. This is but a partial remedy. The question before us, as I look at it, resolves itself into this: If you can infuse into the currency the quality of solvency, the whole material wealth of the country partakes of the same value.

I affirm, we cannot contract a dollar without disaster, simply because it must first be earned. The national circulation by its default is subject to better credit. It is always the superior credit that controls the next best credit below it. The rate of discount on this circulation in Buffalo to-day is regulated by the rate in New York. The rate of discount in New York is regulated by the operations of the Bank of England, *which gauge it with money.*

We must then build up before we “burn up.” We cannot retire until we restore, and it is at holders option only that we may fund or redeem.

Now, Mr. President, the special point in this matter is this: we must come to truth. The circulation of the country is not the truth. I believe it can be made so by the United States Treasury and the present banking system. I can conceive of no other remedy.

This adopted, we may then talk about contraction, then we may speak of expansion. I am willing to reaffirm what I said at Richmond, that the Treasury of the United States, worked in common with, and as a part of, the present banking system, is the solution to which we shall ultimately have to come, and that this is but an echo of the primitive times of the republic, when the same means were used as a cure of a like evil.

Credit is at best but a subterfuge. I invoke you to join me in restoring the best that human ingenuity has yet devised.

Mr. SEALY, of Newark: I do not propose to detain the Board with any lengthy remarks, but I feel that this is a very import-

ant subject, and, as a business man, I feel somewhat interested in the action of the Board. Contraction is certainly going on; all business men realize that. I know of a branch of business in which I think the average failures during the last two years have been from two to three and even four per cent. on the sales. That is tending in the direction of a general prevalence of failures. Ever since the war my faith has been that the best kind of contraction, that which would be the most natural, uniform and gradual, would be keeping the standard where it is, and have the business of the country grow up to the point at which specie payments may be introduced. That would take a great many years, and the condition of the business community is such that I do not know but Mr. TAYLOR's proposition, after all, would be the right one. The gentleman from New York, (Mr. CHITTENDEN,) says that a premature attempt to introduce specie payments would be an utter failure. I agree with him in that, for if the Government should buy gold sufficient to restore specie payments, it could not maintain them twelve months, for the simple reason that the amount of currency in paper money is twice the amount of gold in the commercial world. I do not profess to be very profoundly versed in matters of finance, but I think I have the right idea when I say that gold, the natural money, the value money, as distinguished from credit money, paper money, circulates in some respects like water, obeying unvarying laws, and that no considerable amount beyond a fair proportion will remain in any country. Now, then, with twice the amount of currency that belongs to us, in the normal condition of things, it appears to me an utter absurdity to talk about specie payments; the thing could not be maintained; it would have to be abandoned.

We have been going on under this slow process, allowing the country to grow up to the circulation, and what is the consequence? The wheels of commerce move slowly; the times are hard. Mr. OPDYKE says that the country is measurably prosperous, but failures are taking place all the time; if they were grouped together in a few weeks there would be a crisis. Why are we able to bear the losses resulting from these failures? Because the losses have not been concentrated, because credit has not been destroyed by a panic feeling, which takes confidence away. This thing is going on, and the question is whether, by keeping the volume of currency where it is, and acting on this idea of gradually growing up to the desired point, we shall not be brought into a worse condition than if we have courage enough to say, "Let us take this bitter draft and down with it, and secure relief at once." (Applause.) I have gradually reached

that state of mind. I know that, as a business man, I might be involved in the general catastrophe, but I take the experience of the past, and I know of no nation that has had an inflated currency, reaching to the point of double the amount in circulation in its normal state, that ever reached specie payments without a contraction of from fifty to one hundred per cent. That has been the rule in our own country. When we had two hundred and fourteen millions of currency, what was the consequence? A panic was precipitated upon the country, there was a suspension of business, and a suspension of business of course left unemployed a large portion of the currency of the country, contraction was the result, and with an enormous contraction, specie payments could be resumed and safely maintained.

Mr. GRUBB, of Philadelphia: Will the gentleman allow me one moment? That was under a system of laws in which twenty-seven States were competing to get the cheapest kind of currency. The proposition I have offered is that the currency shall be all under one head and kept solvent by that head.

Mr. SEALY: I do not know that I have courage enough to accept Mr. GRUBB's proposition, and I doubt whether the Newark Board of Trade would sustain me in doing it; but I have the feeling that it is right, and the only true policy. Probably, however, we shall have to go on, taking this bitter draught in this piecemeal style, and it is a very bitter draught. The state of the country is very unsatisfactory. I do not know what will be the result. If a panic comes, it seems to me that it will be in consequence of some event unexpected to all of us. The failure of the Ohio Trust Company introduced the panic of 1857, and the whole false fabric of prices was scattered to the winds. Values remain the same. A barrel of flour will exchange for as many potatoes now as before the war; it is only prices that have changed. My judgment is that it will be about as wise for this Board to say and do nothing on this subject.

Mr. LATHERS, of Charleston: I am very desirous of representing the opinions of a very plain class of people at the South, who do not understand these abstruse questions. A plain man, if you show him a piece of gold and a piece of paper, immediately says "I will take the gold." (Laughter.) But show the two to a learned man, and he goes on with a long formula which learned men understand, but which plain men do not.

Now, Sir, with regard to this question, it has been very ably handled by the gentleman from New York, (Mr. CHITTENDEN,) but ably handled, in my judgment, on the wrong side; that is the wrong

side with reference to us plain men. I don't think that war makes countries rich, and I don't think that our last war was in itself a blessing, although it was necessary, although the sacrifice would have been a glorious one had the Union been saved at three-fold the cost ; still, it is not to be disguised that it was a terrible burden. Is a public debt of three thousand millions a public blessing? Is this stamp duty, against which my friend from Philadelphia, (Mr. WETHERILL,) so strongly inveighs, a blessing? Is the income tax a blessing? But we are told, as evidence of the wealth which has accumulated in the meantime, that railroads have been built. Sir, when I reflect how those railroads were built, that in every case the railroad is represented by bonds, it puts me in mind of an Irishman who took me out to show me his property, and he took me to a barn he had built, which he had not much use for, and had borrowed the money to pay for it. These things plain men can understand only when stated in a plain way. I have been a merchant for many years ; I have known the experiences which merchants have, who struggle with small capital to carry on a large business. Therefore I have sympathy for the merchants of the country, and I would not attempt to bring back the country to a specie basis if I thought it would involve wholesale destruction. I would rather have the consumers go along for some time to come, and bear their part of the burdens. I do not ask the manufacturers to suffer. But the time will come when we must return to correct principles.

Now, let us look at this question in a practical way. It is admitted by all men that this is a time of comparative dullness. What is the effect upon trade? The manufacturer, finding a falling off in the demand for his commodities, produces less ; the merchant, not seeing much chance for the future, buys fewer goods. Each man, therefore, has a less burden to bear, and is less dependent upon the currency than before. Now, we plain men think that such a time is the best for people to begin to pay their debts. Let us see how they shall pay their debts. We have heard a great many suggestions about following England in this matter. It is very funny that when the example of that great country is quoted people often want to do something which England is very sorry she ever attempted. We are willing to accept her method of breaking the force of a financial panic, we will not accept free trade.

Let us look at it. We find that nearly three hundred millions of dollars are taken from the people, annually, more than is needed for the expenses of the Government. What is done with that? The officials actually go into the market, and they buy bonds which are not due for twenty years, paying a large premium, and leave us to

take their overdue notes at discounts of from fifteen to twenty per cent. Now let us look at the effect of this. Here we are challenging the world with our good faith, and looking with scorn on that class of people who would pay our bonds in anything else than gold or silver, yet we allow the Government to ask or compel the poor man who holds one of its notes to take something less than he is entitled to. We are merchants, and we are the proper representatives of the people, because we are their servants, just as much as is the Legislature in making laws. We take the products of their industry, and we know very well that so far as the people of this country are concerned, they would rather have a dollar than ninety cents.

Now, Sir, with regard to the wealth of the country. I suppose it is hardly necessary to say, that when a man buys an immense quantity of powder and ball, giving his notes to pay for them, and uses it all up, he is not so rich as he was before. And that is precisely the issue. The cost of the munitions of war, the unsettling of the industry of the country, the expense of putting it upon a war footing, this immense debt of three thousand millions of dollars, is what we have to show,—for what? For a good deal of shoddy which we never purchased, and for a good deal of powder and ball which we wasted. What else? We have the soldiers to take care of, who defended the nation's cause. Is it not a burden, notwithstanding the propriety of doing the thing? Look at another thing: the change of wealth, to which my friend from New York, (Mr. CHITTENDEN,) has referred, and which every reflecting man must take home to himself. When I walk through New York, and see men of no great ability rolling by in gorgeous equipages, I say the country has not accumulated money, it is merely a displacement of wealth. A large number of people have had their means curtailed, and what is feared here is that a resumption of specie payments will cause the failure of the others. I have no such fear. I feel that there was never any time, since the end of our unfortunate war, when the country was better prepared for resumption than now. When gold was at two hundred, and everybody was hampered in means, I can see that it would have been unwise to attempt to make a settlement. But we are now down very near to a specie basis. What is ten per cent.? Suppose the Government should determine to take a hundred and twenty or a hundred and fifty millions, which it is using in buying bonds twenty years ahead, and withdraw currency or greenbacks to that amount, what harm would result? It is said it would create a panic. How? Is a man any poorer if I say to him, "I will give you a gold dollar for a paper one?" Is he not as able to pay his debts as before? But I

say our mercantile people find great cause for anxiety now. Why? They make large importations. Suppose my friend from Philadelphia, (Mr. WETHERILL,) is importing a large amount of foreign goods. How does he stand? While his goods are crossing the ocean, some clique may put up the price of gold to thirty per cent., and may ruin him, because his goods will cost him twenty per cent. additional, and he must add that premium also to the tariff rates.

I do not talk of politics, and therefore I have to circumscribe my remarks very much. (Laughter.) A very happy allusion was made by my friend from Philadelphia, (Mr. WETHERILL,) to Mr. MUNDALLA. I am glad that he appreciates that gentleman, because I appreciate him. I had the pleasure of hearing him, and I know very well that he is a good man and a statesman. I was very sorry he did not tell us the whole story while he was with us, but he is a modest man, and he let us have the truth by instalments. He, (Mr. MUNDALLA,) told us a very important fact, very modestly, for, being an Englishman, he did not like to talk about our politics. He said he would repeat to Brother JONATHAN what an English friend said, who used to mount the box on the stage coach, and take the reins in his own hands; when he arrived at his house, he would take the coachman by the hand and say, "Now, JACK, be kind to yourself!" So I say to JONATHAN, "Be kind to yourself, and go for free trade and specie currency."

Mr. ABLE, of St. Louis: These resolutions do not exactly suit me. The one offered by the gentleman from Philadelphia, (Mr. WETHERILL,) is neither political nor non-political; it is neither affirmative nor negative in its character, as I think, upon the question. Nor does the resolution offered by the gentleman from Cincinnati, (Mr. TAYLOR,) suit my views so well as the speech he made. He suggested in that speech, I think, a method whereby resumption might be reached in this country after a while, and that was by carrying the interest received on the bonds into a sinking fund, for the purpose of meeting resumption at some future day, and taking up the currency of the country. The first resolution offered by the gentleman from Cincinnati looks to me a good deal like this: "*Resolved*, That at some period in the history of the country, it would be pleasant and agreeable to the people of the country to have the sun shine." I do not think it offers any solution of the problem, nor do I think the resolution covers the question so fully, by any means, as his able and ingenious argument did. Therefore, inasmuch as neither of the resolutions, in my judgment, proposes an adequate solution of this vexed question of resumption, I move their postponement.

Mr. TAYLOR, of Cincinnati: I would ask the gentleman from St. Louis to withdraw his motion. I should like to hear from some other gentlemen who have given their attention to this subject.

Mr. ABLE: I will withdraw the motion.

Mr. ROPES, of Boston: I wish to observe all the courtesies of debate, Sir. I am not disposed to set up my judgment, or opinion, or any measure of my own, as a proper measure for any one else in this room. Therefore I shall not say that I am surprised, at this late day, to hear the member from this Chamber, or the member from that Board, repeating the old, stale assertions, inventions and fallacies, with regard to contraction of the currency. I repeat I shall say nothing of the kind. I will say, however, that I am not surprised at that or anything else. I was surprised for a short time yesterday, but that period has passed, and I do not expect to be surprised again at anything that occurs in this body. And I beg to say that I make the remark in the most respectful tone, for I have the highest regard and respect for the members of this body; but I think it right to say, "Many men, many minds." We all differ, some of us very widely; and it is hardly worth while for us to express our surprise that others should differ from us. We have no right to set ourselves up as their standard, and I shall purposely avoid the slightest personal reference in any of these remarks.

I am prepared to advocate and sustain the amendment of my friend from Cincinnati, (Mr. TAYLOR,) but I should prefer to have the subject before us in a somewhat different form, and as the next proposition is one emanating from Boston, and substantially the same as the one before us, and to which I had intended to add some resolutions, to express my views, (not, however, with any expectation of carrying them,) I should prefer to have that resolution come up, and then to put the matter in a somewhat more definite and systematic form, according to my views of it, before this body. If they have no desire to hear it, of course it will not be necessary for them to listen to it or to me. But as this matter is before us, I will make a few remarks now on what I have heard this morning.

And, first, I will call the attention of the Board to the fact that the resolution offered by my friend from Philadelphia, (Mr. WETHERILL,) and the resolution which is before us from the Boston Board of Trade, are almost identical in language. The reason is obvious. They were drawn up by the same pen, and though at an interval of a year, and without any comparison of views or correspondence, yet the resolution read by the gentleman from Philadelphia, (Mr. WETHERILL,)

which was written last year, expressed so entirely the views of the person whose pen drew it up, that the same views were embodied, in almost the very same words, in the resolution on the programme, as gentlemen will find on comparing the two. I am very happy to find that those views, unlike many other views which I am obliged to advocate, seem to have the full concurrence of this Board. But I would like to make a few remarks on some things which have fallen from members this morning.

I think the first gentleman who spoke said, that although he agreed entirely in the proposition that it was desirable to return to specie payments at the earliest practicable moment, yet it was absurd or useless to propose any time or plan for doing so. I entirely agree with him that we cannot fix any time when specie payments can be resumed, but fixing a time is very different from adopting a plan. If I want to ascend a hill, and do not know the distance or the obstacles in the way, it would be absurd in me to say at what time I expect to arrive at the summit; but would there be any absurdity in operating on the plan of taking one step up that hill, and then another and another, and so on until I got to the top? This is what I understand to be contemplated by the resolution of my friend from Cincinnati, and this, I am prepared to say, is absolutely the only way by which, within the life-time of any person now present, we can hope to arrive at a safe and permanent resumption of specie payments.

It has been said, "Let well enough alone." In fact, I think one gentleman has told us we can arrive at specie payments only through failure or through disaster. I think he stated the case quite correctly, that if we attempted it immediately, it would be an utter failure; probably the experiment would not last thirty days, nor twenty, perhaps not ten, or if, on the other hand, we go on as we are now going, if I understand the gentleman aright, he intimated (and I agree with him entirely,) sooner or later it would end in wide-spread disaster. Yet I understood him to say, in the same breath, "Why not let well alone?" Is that the "well" we are to "let alone?" I confess I do not understand it. If we have nothing but disaster before us, at an earlier or later period, it seems to me we should bestir ourselves to avert that disaster.

I am not one of those who believe it possible, under any circumstances, safely to resume specie payments within a very short period. If I were asked the question, I should say probably it could not be done within less than a couple of years; but I am clearly of the opinion that it is the easiest thing in the world for us to inaugurate measures of the most simple, most practical, and most inoffensive

description, which would bring us slowly, but surely to the specie standard, and to specie payments by the Government and banks within two or three years at furthest.

We are told that gold has gone down from a hundred per cent. premium to ten or eleven, and that, if we only let it alone, it will go down to par. But the gentlemen who make this assertion, I fancy have not looked into the subject. I will not say that the gentleman who asserted that prices in general are lower than they were, and that we are approaching specie payments "ought to know better," but I will say that my experience and observation do not agree with his. I know that imported goods, which are paid for in gold, by reason of the decline in gold, cost a great deal less than they did a year ago; but I know that a very large proportion of the articles which are consumed in my family, and which I presume all of you consume, and which are produced at home, are almost as high as ever they were. I am almost afraid to mention the prices I pay for the daily supplies for my family. They are double and treble what they were before the war. Those garments which I could buy ready made for a dollar or a dollar and a half before the war, now cost three or four dollars. There is no such shrinkage in domestic values as has necessarily taken place in foreign goods, in consequence of the decline in gold. Why is this? The reason is, that gold has become an article of merchandise; it has no connection, except indirectly through foreign importations, with the standard of value in this country. Our present standard of value is an absolutely capricious standard, which has no basis to go upon. It is up to-day and down to-morrow. It rests upon a wide-spread ocean of credit.

The expanded credit of the Government enables the banks and the merchants to expand theirs, and the basis on which it all rests, which I think will ultimately collapse under the whole fabric, is the credit which this nation enjoys abroad, which enables us to go on, year after year, paying for importations on the most extravagant scale by sending our bonds of every description to Europe, by whole ship-loads, which are taken as a mortgage upon the wealth and industry of this country. Just suppose that some sudden panic causes this credit to cease! Suppose an unfortunate commercial crisis should occur here, and make people abroad afraid of American securities. Suppose (which God forbid!) that some repudiating politician should arise and be received with such favor by the people as to create a doubt of the intention of the American people to pay their debts honestly, fairly and squarely; and let that panic get abroad, and I ask every gentleman,—even the gentleman from

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k,—where would the credit of the Government be, where would the price of gold be, where would our commercial credit be?

MR. RANDOLPH : Do I understand the gentleman to say that the debt of the United States has increased abroad during the last two or three years?

MR. ROPES : If I am rightly informed, the debt created by the shipment of bonds has been constantly increasing.

MR. RANDOLPH : These are not sent in payment for merchandise, but for foreign purchasers, for investment.

MR. ROPES : They are paid for however in merchandise, which is at once consumed, to a very large extent.

It is said that we shall *grow up* to this large volume of currency. I had the honor to reply to that last year, and I say the same now.

It may be true that population increases three and a half per cent. a year, but it is not true that we want more currency from year to year, except barely as men want more paper money in their pockets; and as we have now a hundred per cent. too much, it is very plain we must wait much longer than two, three, or four years before we arrive at specie payments. In the mean time, what may not occur to overthrow the whole fabric? We have been told *usque ad nauseam* of the "ruinous" effect of contraction. I remember a speech of a member of the Congress of the United States, in which he had the assurance to declare that the action of Mr. Secretary McCULLOCH in contracting the currency by a paltry four millions a month, had been absolutely ruining the industry of the country! I maintain that there was not the smallest foundation for that assertion; I maintain that there was absolutely no fact on which to base it, except so far as that fact was created by the misrepresentations and frauds of certain interested stock-gamblers and jobbers in New York. There was a certain amount of scarcity indeed, which soon passed away; but it was caused solely and entirely by the mismanagement of the banks in holding as cash reserve a large amount of compound interest notes. It was that which caused a contraction of one or two hundred millions of credit in a short time, and which for a while created a panic; but the moment the immediate pressure and terror passed away, as the cause passed away, there was no longer any deficiency of currency, and no ground for the reissuing of what had been withdrawn.

I repeat it, and would have it repeated throughout the land, that moderate and gradual contraction never has and never can injure the

country. And why? It is not a contraction of *values*. Do we lose a single barrel of flour, a single bushel of potatoes, a single article of any kind, when we withdraw a few millions of paper from circulation, —when we pay, as my friend behind me (Mr. LATHERS,) has so justly said, our debts? If I give a man a five dollar gold piece for a five dollar bill, is he any the poorer for it?

The difficulty lies in the circulation of such a large amount of paper which is used for unworthy purposes by gamblers, stock-jobbers, and every description of parasites, who ought to be driven out of the land. I say that anything that will check the ravages of these parasites and cormorants, who fatten upon the industry of the country, is to be welcomed and hailed with delight. Look at it! Here is New York, which is allowed to keep a large proportion of the reserves of the country banks. A bank issues its promises for one, two, three or four millions of dollars, and is obliged by law to keep a small portion of real money on hand to meet that volume of credit, (very little compared with the amount of credit it issues,) but it is allowed to keep a large part of that small reserve in New York. For instance, a bank that owes a million of dollars has to keep a reserve of a hundred and fifty thousand dollars. Sixty per cent. of that reserve it may keep in New York, or ninety thousand dollars, leaving only sixty thousand dollars at home to pay a million with! Do the New York banks keep this money on hand, in order to meet the calls for it? Not at all. They borrow it from that bank. They call it "held on deposit," and they keep only twenty-five per cent. of it on hand; nearly seventy thousand dollars goes into circulation to swell the enormous amount of paper money which is wasting the resources of the country.

There are sixty thousand dollars in the country and twenty-two thousand dollars in New York, with which to meet a million—a little over eighty thousand dollars. On these country balances the New York banks pay interest, and therefore they are obliged to earn interest by lending the money to those fellows who are speculating in all sorts of unsound financial schemes.

It has been said that by withdrawing greenbacks we take away the foundation, and at the same time, by issuing bank notes, we increase the superstructure. I am not in favor of increasing the superstructure. I think the banks have enough paper out. It was my earnest desire, when this banking system was inaugurated,—which has great advantages,—that the banks should be limited in their issues to one half their capital. That is, that a bank with one hundred thousand dollars capital should only be permitted to issue fifty thousand dol-

lars of notes so that there would be fifty thousand dollars in current funds by which to redeem its circulation. But that was not done. The banks are allowed to invest their whole capital in bonds, and have that whole capital locked up in Washington, depending upon the money of their depositors to meet their liabilities. That is a false system, and many of our bankers in Boston and New York so regard it. They do not issue what the law allows them to issue, but keep large reserves, as they all ought to do. But we have no control over the banks, except through the greenbacks. If we can compel the banks to redeem these call loans, which play the mischief with our financial matters, if we could compel them to keep sufficient reserves, and contract their undesirable loans, so as to bring us back to a secure basis for specie payments, I should be delighted to do it. But we have no power to compel the banks to do anything, except through the greenback currency. We have no power over the banks except by making the Government contract its own issues. If the Government slowly but surely withdraws greenbacks, then the banks must slowly but surely diminish the amount of credit which they issue upon the basis of the greenbacks.

Let it not be supposed that there is anything violent in this reduction. There are three hundred and fifty-six millions of greenbacks, and of those, I don't think one-quarter are in possession of the banks; the remaining three-quarters are circulating among the people. I have a very few of them in my pocket, and if the Government would redeem them with a four per cent. bond, and guarantee that they should be burned, I would not only carry in all I have, but all I could get hold of, to the Treasury, take the bonds, and gratify myself with the knowledge that there was so much contraction accomplished.

Now, I submit to you, that if the people who hold two hundred and fifty millions, or two hundred and seventy-five millions of the greenbacks, are willing to bring them to the Government, and take bonds in exchange, and take the risk of selling their bonds, when they may wish to do so, on condition that the Government will put those greenbacks into the fire, they have the right to do it; and is anybody ready to say that because the stock-jobbing interest in New York will suffer, therefore the greenbacks are not to be withdrawn, and the Government is not to pay its debts? For here we come to the root of the matter. You may talk as you please about the expediency of keeping up our present circulation, but the fact remains, that those greenbacks which the Treasury has promised to pay in gold, *are not paid*. The original issues were made payable in New

York, but our friend the Secretary of the Treasury, (among other things that he has done, which I do not like,) in the recent issues of greenbacks, has omitted the words "New York;" he does not say *where* they will be paid, or anything about it; he simply says, "the United States *will pay*." And perhaps they will, when he and I have gone the way of all the earth. But that is no way for an honorable individual or corporation or Government to deal with its creditors. I maintain, that when the Government in the emergencies of war, first issued one hundred and fifty millions, then one hundred and fifty more millions, then one hundred millions, and I do not know how many millions more, of promises to pay, and declared through the Secretary of the Treasury, and through every prominent member of Congress, that this was a temporary measure, that those greenbacks should be redeemed and redeemed at the earliest possible moment,—I say it is a scandal, and a shame, that, burdened as we are, with this irredeemable, rotten currency, the Government should hold back, and refuse to pay its debts. I am grieved and ashamed that Congress should have passed a resolution, as they did, a year or two ago, expressly declaring that they would not allow any further contraction of the greenback currency. Congress thereby, in my opinion, committed a virtual act of repudiation; temporary repudiation, if you please, but it has only to last long enough to become permanent. I have lived in Russia, where paper money went down to twenty-five cents on a dollar. The Government there was excusable, for it had not the power either to raise or borrow the money to pay its debts. As my friend from New York would say, they "let well enough alone," for the Government paid off with a couple of hundred millions of dollars, about seven hundred millions. That is not the way I want our Government to do. But we shall become so hardened that we shall begin to think our paper currency the natural standard. I think I heard something like that not long ago; that some time or other we might *slide* into specie payments, but we are not to *do* anything about it. We are told that it is not our business to meddle with natural laws. Was it a natural law that we should issue one hundred and fifty million dollars of irredeemable currency, then add to that a hundred and fifty millions more, and so on, and then turn around and *refuse to pay*? Does not the natural law of GOD and man require that those debts should be paid, just as soon as we have the power to pay them? If you will repeal the legal tender act, and not compel any body to receive the payment of his debts in legal tender notes, then you may talk about leaving us to the operation of natural laws. But if you shrink from that, as too violent a course,

then I say take the other course. If a merchant had more notes out than he could pay, he would begin to draw them in by degrees. Suppose I should say, "I have issued a great many checks; they amount to a million dollars; I have only two hundred thousand dollars of available funds in bank and out of it; I really do not know what to do. I have a great deal of property, and by mortgaging that property, and by judiciously liquidating my present liabilities, I find that in the course of six or eight years, I can gradually pay off all my obligations, and I say to you, my creditors, I will give you your choice; I will buy up my checks as fast as you can bring them in, giving the preference to the man who will make the most discount, or I will give you my notes, bearing interest for two, three, or four years, and honorably redeem those notes as they mature, because I can handle twenty or a hundred thousand dollars at a time, but not a million." Instead of that, suppose I should say, "I see my checks payable on demand, circulating through the community; they are used by the people to buy merchandise; they are rather convenient than otherwise, and I should be very sorry to deprive them of such a medium of exchange. I will therefore do nothing about it; I will let well enough alone; I will leave *natural laws* to pay my checks. What business is it of mine that those checks are not paid? You know that for some reason or other you can't sue me." *Would that be honest?* Is it more honest in the Government to do what it would be most shameful and dishonest in me to do?

I will not say anything about the war having enriched the country, because I think that has been disposed of, in the speech of the gentleman from Charleston, (Mr. LATHERS;) I was going to say substantially the same thing, that a large part of the middling class who live upon salaries in this country have been dreadfully impoverished by this inflation which has enriched so many individuals and which has necessarily taken from the comforts of the many, to still further increase the luxuries of the few. Then again, we all know that when a richer man than we begins to keep more horses, to wear more expensive garments, and to live more luxuriously, we want to do the same, and so we are all straining to keep up with our neighbors; and those of us who have a little money left are beset by these impoverished persons, who even with our assistance, cannot make both ends meet. I will venture to say, that the gentleman from New York, (Mr. CHITTENDEN,) has more calls of this kind, than he can well meet; that more people than ever before come to him in distress, some of one kind, and some of another, but all finding that they cannot make a living in consequence of the state of the times.

I was very much interested in a fact mentioned by the gentleman from Newark, (Mr. SEALY;) he says, *contraction is going on*; and that is true. But contraction of what? He has stated that in some lines, failures have amounted to a large percentage on the amount of business done, and so far credit has been broken down. Consequently if mercantile credit is contracted, the instrument of that credit, which is paper money, made up of Government credit and bank credit, should be contracted at the same time. Is that the case? Has there been any diminution of greenbacks, or bank credit? No. Therefore, the credit which certainly might and should have been contracted remains on the same scale as before. There is still a vast amount of speculation; business is demoralized, and I might almost say, we are ruining our country, and impoverishing the bulk of our people.

I have taken this whole subject, at the wrong end; I was prepared to present it in a very different way, and, I might hope, in a more satisfactory way to this meeting. But it is evident that the issue is to be made at this point.

I do not expect to secure any definite action by this Board, but I will venture to say, that I believe some things which have been stated, not only by myself, but by more experienced and wiser men than I, will bear fruit hereafter. When some of these predictions are being verified, and it is seen upon what a slender basis this apparent prosperity of our people has rested, perhaps some of the things which have been said here to-day may cause future action both here and elsewhere.

Mr. CHITTENDEN, of New York: I did not say, "let well enough alone." I said, let the subject severely alone. My reason was, because I believed the disease must run its course. I think no gentleman understood me to say that the war enriched the country. I said there were some things which grew out of the war, which might result in enriching the country.

Mr. HOLTON, of Milwaukie: We have before us to-day the greatest of all mercantile questions, most undoubtedly. Every other question we have considered is but collateral to this, and every other that is to come before us will be collateral to this also. I have been greatly interested in the remarks by the gentleman from South Carolina. He most happily disappointed me, and I thank him for his speech, because, when he got up, I thought he was going to advocate the "Wild Cat" system; I thought he was going for a shinplaster currency. All hail, South Carolina!—"Sound on the goose!" (Loud applause.)

Mr. LATHERS: I thank you, gentlemen.

Mr. HOLTON : As merchants, are we coming here to talk about shinplasters? As merchants, reaching out our hands for the trade of the Indies, where you cannot buy a pound of tea, without taking your solid silver dollar with you, are we coming here to talk about perpetuating a shinplaster system? I am the last man to say that anything should be done precipitately, but we are talking generically. We have in our deliberations hitherto upon this subject, waved all method and plans, and I say, on this question, that we are to assert and reassert, as merchants, what are the standards of value that the ages have made, although we are temporarily diverted from them, in consequence of the war, and we are to consider contemporaneous incidents and circumstances in the methods employed in returning to the constitutional standard. Still, this is a genuine principle, and never are we to swerve from an imperious demand upon the National Government, that they shall go back at once to specie payments.

I have a simple method in my mind, which I think would do it immediately, but I do not care to state it. Probably every other gentleman here has his favorite plan.

My friend Mr. BUZBY, put a query yesterday, which weighs upon my mind whenever I attempt to solve political problems,—to wit, whether our civilization is not extending too rapidly, whether, by the construction of railroads, we are not going beyond what is for the true interest of the nation; yet my friend stands up here, on this question of the currency, and advocates the very instrumentality (I mean an irresponsible paper currency) by which men get up schemes to build railroads that are perilous. It is for that very reason among others that I seek to go back to specie payments. If you can build a railroad upon that basis, build it; and not otherwise.

Mr. President, I shall not take your time here. These are sententious words; but we have a sententious question to deal with, which does not admit of long-winded arguments. It is a broad principle, and my views will be met in the simplest way. I would cut off the tail of the resolution passed at Richmond, so that it will read thus:

Resolved, That in the opinion of this Board, the best interests of the country imperatively demand the restoration of the specie standard of value.

I leave off the closing words, "At the earliest practicable period," and offer that as an amendment.

The hour of noon having arrived, the Board adjourned to meet in the evening at seven o'clock.

EVENING SESSION.

The Board was called to order soon after seven o'clock, the President in the chair, and the consideration of the subject under discussion at the time of adjournment was resumed.

MR. TAYLOR, of Cincinnati: I ask the unanimous consent of the house to present an additional resolution:

Resolved, That the National Banks be required by law to retain the coin received for interest on the bonds deposited to secure their circulation, until specie payments are resumed.

No objection being offered the resolution was submitted.

THE PRESIDENT: The question is on Mr. HOLTON's substitute.

MR. ALLEN, of Philadelphia: I offer the following resolution as a further amendment:

Resolved, That this Board approves of the recommendation of the Comptroller of the Currency, namely, that the payment of interest on deposits by the national banks be prohibited by law.

MR. WEST, of Milwaukee: I desire to say one word, explaining why I cannot support the amendment of my colleague, (Mr. HOLTON.) I am in favor of the *growing process*, of which we have heard a great deal. I think the experience of the past year teaches us that we are fast growing up towards specie payments. Since this Board met a year ago, we have advanced in that direction something like twenty per cent. We have only about ten per cent. more to *grow*, and with ordinary good luck, such as we have had the past year, in the course of a year or two we shall grow the other ten per cent., and avoid the evils of special legislation on the subject. I am also in favor of the growing process, so far as our national debt is concerned, as a whole. A great deal has been said here about paying a portion of that debt before it becomes due. In my opinion it is very bad policy to do so. What may be very burdensome to us to-day, may be a very small debt for the country to pay twenty or fifty years hence. I presume I see many gentlemen here, to whom, twenty

years ago, ten thousand dollars would have been a very large amount to pay, but to-day they could pay ten times that sum without the least inconvenience.

Most of the business men in this country, (it is so, at least, in our section,) are compelled to borrow money to carry on their operations. The average rate of interest for that money is at least ten per cent. I fail to see the wisdom of the policy of burdening ourselves by scraping up money to redeem six per cent. bonds, which are not due, belonging to gentlemen in the eastern portion of the country, if you please, where so many of our bonds are held, that we may turn right round and borrow that money back again of those gentlemen, at ten per cent. That seems to me to be a very bad policy. We have already undergone as much of the shrinking process as the business community can stand. Values have been shrinking about as fast as the business community are able to bear. I oppose the substitute offered by my friend and colleague, (Mr. HOLTON,) for the reason that I think an immediate resumption of specie payments is something impracticable, and something that we cannot stand. I see that every day more or less failures are taking place, and I noticed in looking at the papers this morning, that some very large failures had occurred, both at the East and at the West, and it seems to me that a contraction at this time, and a further shrinkage of values, must certainly prove fatal to a great many of our business men.

In discussing this question, which has taken quite a wide range, the able gentleman from New York, (Mr. CHITTENDEN,) stated that some of the people of this country were accumulating fortunes at a rapid rate, and he did not know but that the national debt might prove a national blessing. He did not explain to us fully what his views were, or how it was, that certain persons in this country were accumulating vast wealth, when we had this enormous debt, and these burdens were hanging over us. My idea of this matter is, that it is brought about by injudicious and unjust legislation; that the great body of the people are being taxed to the utmost extremity, every dollar being squeezed from them that can be, and that those taxes, taken from the many, go into the pockets of the few. I think that our legislation is such, that the burdens of this great debt are not borne equally by the people; that the men best able to bear them are those who are not required to bear them, and that thus, the national debt, is, to some persons, an individual blessing.

Mr. President, a poor man, with a large family of children. (which most poor men are blest with.) who has to depend on his daily labor to support them, may have to buy four times as many articles, upon

which he has to pay duties to the Government, as another man, who counts his wealth in factory stocks and bonds by millions, and who, for every dollar he pays towards the support of the National Government, receives a hundred dollars indirectly, in the shape of these taxes, extorted from the people; and as long as this system of taxation exists, I am opposed to paying any portion of the national debt. When the national debt is paid, I would have it paid on the democratic principle, on which our State and county and municipal taxes are raised—each man paying in proportion to his ability to pay. I do not want it laid upon the business and laboring portion of the community, as it is well known that those classes have now to bear the whole, or nearly the whole, of the burden of this great national debt.

For these reasons I cannot support the amendment of my friend and colleague; neither do I know that I can support any of the other amendments to the original resolution. I am in favor, as has been said here by some one, of letting the whole matter severely alone.

A motion was made and carried, that the question be taken on the amendments in their order.

The question was first put on the amendment of Mr. HOLTON—"That in the opinion of this Board, the best interests of the nation demand the restoration of the specie standard of value,"—and it was lost.

The resolutions offered by Mr. ALLEN, of Philadelphia, were also lost.

The question then came up on the amendment offered by Mr. TAYLOR, of Cincinnati, who demanded the yeas and nays.

The amendment was lost by a vote of twenty-four to twenty-nine.

The vote was as follows:

Yeas: Messrs.—

Able,	Cook,	Hawley,	Plumer,
Almy,	Cummings,	Hazard,	Ropes,
Bagley,	Davis,	Holton,	Russell,
Ballou,	French,	Kirkland,	Swift,
Bonner,	Goshorn,	Lathers,	Taylor,
Brown,	Gunther,	Phillips,	Thompson,—24.

Nays: Messrs.—

Allen,	Herron,	Sealy,	West,
Buzby,	Malone,	Shryock,	Wetherill,
Cooper,	McPherson,	Smith,	White,
Dater,	Morris,	Sneath,	Williams,
Foster,	Mytinger,	Stanard,	Young,—29.
Grubb,	Opdyke,	Stranahan,	
Guthrie,	Prindiville,	Turpin,	
Heald,	Randolph,	Verhoeff,	

The question then recurring upon the resolution proposed by Mr. WETHERILL, it was agreed to.

XVII. THE SPECIE STANDARD.

Resolved, That it is of the utmost importance to the best interests of the nation, that the currency be restored to the specie standard at the earliest practicable time.

Mr. ROPES, of Boston: *Mr. President*,—The proposition which the Boston Board of Trade have on the programme is, as will be seen, substantially the same as that which has just been carried, I am happy to observe, so unanimously, and, as it were, almost by acclamation. The delegates from Boston who have it in charge desire to add this resolution to the other proposition, in order to make it more complete and practical; and I think there are other amendments to be proposed by its friends which will make the whole proposition much more full in its statement than it appears upon the programme.

I would like to take a single moment, before entering upon the subject, to express the hope that the members of this Board, appreciating the great influence which their discussions have exerted in this community, will be willing to make the sacrifice of their own personal convenience for the sake of thoroughly completing every subject which comes before them. I have come several hundred miles to attend this meeting, and I am prepared to remain just as long as the business of this Board shall require. I do not propose to vote against a single proposition that is brought in here, because I am in a hurry to get home. I do not propose to make any bargain with any members of the Board, that I will vote down one proposition, if they will vote down another, that we may go home to-night, or at any other time. I mean honestly to stand by the business of this Board, and to remain here until every proposition on the programme

has been brought before us, and discussed as fully and fairly as its advocates desire, on its own merits; to give it my best attention, to listen to all the arguments *pro* and *con*, and then to vote, not with reference to any other idea or proposition, but simply with reference to that particular proposition, and according to my conscientious convictions. I hope we shall continue in the future, as we have in the past been able to do, to follow this plan; to eschew (shall I be obliged to say?) Congressional tactics and caucussing, and every description of political trickery. I am almost afraid to use the word "political;" I know the danger I incur by venturing upon such forbidden ground; yet I will say, that I hope everything like political management will be forever banished from our deliberations. I hope we shall all fully appreciate, in discussing these subjects, their importance to our own interests, to the interests of the mercantile communities to which we belong, and to the interests of the whole country.

Now, Sir, it is obvious that the restoration of the specie standard is of itself a thing very desirable; but it is obvious that, as we have for two or three years taken substantially the same ground and adopted the same resolutions, we may possibly be asked, "Have you nothing practical to suggest on the subject? Is this specie standard coming about by itself?" It has been said that it will come about by itself, but I appeal to every student of political economy, to every student of history, who has watched events with a financial eye in this country and in other countries, to say whether there is the slightest possible hope that the specie standard can be restored in this country as long as by the positive as well as negative legislation of Congress, there is the great barrier of an enormous irredeemable currency in the way. I say it is impossible; and it is because I recognize that impossibility that I would urge Congress to take the steps which are necessary, not to supersede or set in motion natural laws, but simply to take out of the way those obstacles which Congress itself has interposed to the action of those natural laws. Therefore I will read two additional resolutions, and their connection with the one already brought forward, (which I will again read,) will be obvious:

Resolved, That it is of the utmost importance to the best interests of the nation, that the currency be restored to the specie standard at the earliest practicable time.

And, as an additional statement of opinion:

Resolved, That honesty demands the early liquidation of the overdue indebtedness of the Government.

I think we must all agree to that : that when a man, a corporation, or a government owes debts, and has allowed them to be overdue for a long time, honesty demands their early liquidation.

Resolved, That the gradual liquidation of the indebtedness now existing in the form of legal tender notes, is the only safe method of restoring the specie standard of value.

This third resolution, it will be seen, connects the other two. The first resolution states that it is most desirable to return to the specie standard ; the second states that common honesty requires the Government to pay its over due debts ; and the third states that the action proposed, namely, the payment of the over due debts, is the only practicable way of bringing about the thing desired by the first resolution, that is, the restoration of the specie standard of value ; for as long as you have a vicious currency in existence and operation, by law, the true and sound and valuable currency will never flow in to take its place.

I propose, Mr. President, to take but a very little time in stating the positions and grounds on which, in my mind, this matter stands. I will state in a single word what has been already stated, that every country is bound to have a standard of value which is a standard of value ; a yardstick which measures length and has length ; a weight which has weight, and is not a bag of feathers ; a measure of value which possesses value, and therefore is competent to measure value. In the second place, I repeat, that a Government is bound, as you or I or any other honest man, to pay its debts just as soon as it has the power to pay them, and can do it with safety to itself and its creditors. In the third place, I repeat, emphatically, the statement, and pledge what little reputation I have as a political economist or as a student of kindred sciences, to the fact that the contraction of this currency, judiciously carried on, cannot injure any legitimate interest of this country. I defy the proof. There has not been one word said on this floor, or at any previous meeting of this National Board, or in any place where I have heard any argument, that has gone to prove one single jot or tittle of those innumerable assertions, made in Congress and out of Congress, here and elsewhere, to the effect that contraction will ruin the country. Sir, I assert, and I am ready to maintain the assertion, that instead of ruining or injuring the country, it will benefit every material interest of the country.

Something has been said about failures. How did those come about ? It was because this irredeemable currency was lying around

in such enormous amounts, that the banks did not know what to do with it; they were not obliged to pay it, and so they lent it, on very poor security, to speculators, and in a given time, the thing burst up, and there was an end of the speculation. The whole temptation lay in this mass of irredeemable currency. It was so at the close of the war, and it has been so every year since. It is this vast amount of irredeemable currency which is the basis of all our speculations, and the source of the mischief which has resulted over and over again from them. It cannot be too often repeated, that legitimate, moderate contraction hurts no sound, solvent individual. It is idle to talk of the danger of a shrinkage of values. Why, the shrinkage in one week, under this present system, is more than would occur in a year under the operation of the plan I have advocated. The contraction I advocate would not affect values five per cent. in a year, and yet we should be on the way to a permanent remedy of this gigantic evil which has so long afflicted us.

Now I want to say one word more. It was said here early in the discussion of this question, and it has been repeated to-night, in the face of my statement this morning, that the decline in gold shows that our currency is fast approximating to specie. It shows no such thing. Our currency is as far from the specie standard as it was five years ago, or within an inappreciable fraction. People talk about a decline in prices. There are some things which we buy from day to day that are as high now as they were when gold was two hundred and eighty. It is certainly true, that certain articles, the manufacture of which has been overdone, have gone down; and I shall say to our friends from the West, by-and-by, that, if they only knew it, nobody is suffering so much from this state of things which we deplore and for which we seek a remedy, as themselves. The decline of gold has nothing to do with the matter. Gold has now nothing to do with values. It is an article of merchandise, which, if a man buys, it must be as a speculation, in anticipation of a rise. It is as if somebody compelled me to buy a building at ten per cent. above its value, and obliged me to hold it, in hopes that rents would rise. I must be a patient man if I can do such a thing. So this community must hold gold unemployed as currency without any definite hope that it will rise. The wonder to me is, that it remains at so high a premium as it does.

What is the remedy? I see no method which will draw off this surplus of irredeemable currency, which is too large to be managed without contraction. I do not care how it is done. Do it as Mr. McCULLOCH did it. Do it even as Mr. BOUTWELL did it, before he

adopted the policy of buying the bonds. If he had only locked up the currency with which he has bought the bonds, he would have reduced the debt, and he would have had the additional advantage of having withdrawn this rubbish from circulation. Do it by the voluntary action of the people. Let the Secretary of the Treasury say to every man, "Bring me a hundred dollars in greenbacks, and you shall have a one hundred dollar bond, and then the greenbacks shall go into the fire." Then the people have the matter in their own hands, and if they want the greenbacks, they will not carry them to the Treasury, and the bonds will remain in the hands of the Government. But if they are common-sense people, obedient to the law of nature, the greenbacks will come in, the bonds will go out, and we shall be on the high road to prosperity. And there is not an individual in the country who will not do this voluntarily, without compulsion. People have the idea that with a contraction of fifty millions, we should be ruined. "What shall we do," they say, "if we want to borrow money?" But this is not money. It is the merest farce to call this money. It is a mere nothing. It is a promise to pay. Is it any very great advantage to be able to borrow insolvent people's promises to pay? I would rather borrow the real article. There is always plenty of money in a country rich like ours, with every species of wealth for those who have plenty of security to offer. To use an illustration: Does anybody suppose a man is any the worse off for having dead flesh and skin cut away? If you have got your sails spread altogether too large for the masts and yards, and they flap in the wind because you cannot draw them taut, is anything lost by cutting away a third of them, so that you can haul them taut, and make all snug to go through the water? It is a clear gain. Diminution in such a case is really increase. Contraction is really getting the power to act. When you have your vessel anchored, there is no advantage in letting out a hundred fathoms of cable more than is necessary to hold you safely to the shore. You must draw it in before you can get the power to control your movements.

Now let me state, in a few words, why I think this matter so important. When I say "so important," I do not suppose that any action we can take will immediately influence Congress, but it will help create that healthy public opinion which is absolutely essential to compel members of Congress to do what they ought to have done long ago. It is by agitating, *agitating*, AGITATING, that we shall ultimately make public opinion what it ought to be. (Applause.)

I must thank my friends for their kindness. I grieve to be unable to *contract*, (laughter,) but I will use as little time as possible. I

wish to state, briefly, why this thing ought to be done, and done as soon as possible. In the first place the fluctuations and evils incident to an irredeemable currency, involve us in perpetual uncertainty in all our business transactions, and render us liable to heavy losses. It is true, that if I import merchandise and pay for it with gold at one dollar and ten and sell it with gold at one dollar and twenty-five, I am likely to make a good profit; but, on the other hand, if I import merchandise with gold at one dollar and twenty-five, and sell it with gold at one dollar and ten, I am making a heavy loss. It is utterly out of my power to know what the circumstances will be when I sell the merchandise I import. I will venture to say, judging from my own observation, that all legitimate business with foreign countries is turned into sheer speculation, gambling and stock jobbing. Mere specious contrivances to make money out of the manipulation of credit have become the regular business of the country. I do believe that one hundred thousand dollars are made to-day, in this illegitimate, speculative way, where one thousand dollars are made in regular business. My friend from New York, (Mr. CHITTENDEN,) admitted this morning, that the result in his business, has been (as in mine, and, as I believe, in multitudes of cases,) that legitimate business is running behind all the time, because the profits which ought to accrue to the legitimate trader go to the gold speculator, or fly about in various directions, where the caprices of the gold market carry them. This thing cannot continue without seriously injuring the industry of the country, and in the same proportion promoting the speculation of the country.

Now, all this speculation is at the expense of our industry. The industry of the country earns so much per annum, and the profits ought to go to those who work for it; instead of that, any idler can appear in Wall Street, and in an hour, by good luck, secure as much as a thousand men must toil a long time to scrape together. Is that right? Is a state of things which makes that possible a state of things to be endured?

Then, sir, another most injurious result is the monopoly of money. I abhor the word "monopoly" in connection with a free country and government. If we are to be ridden by monopolists as we have been ridden during the last ten years, one might almost sigh for a year or two of good, wholesome despotism; for a PETER the Great or a NAPOLEON, to come and rid the country of this nuisance, and all the parasites which feast upon its track; and then, when he has brought us into good order, I think we might venture to run the machine of democratic institutions.

Now, sir, at the present time, who has the monopoly of what is called the money of the country? In the first place, the Government gets the benefit of three or four hundred millions of dollars, which it makes no pretence of redeeming, and which, being the richest corporation in the country, it is the most bound to redeem. It gets that loan without interest, which some people have actually spoken of as an advantage of the present system—that the richest corporation on the continent, the Government of this country, should be able to compel the people to loan it three or four hundred millions of dollars without interest! I abhor the idea, Mr. President, of speaking with any favor of such a transaction. How is it with the banks? The banks of this country are permitted to invest their whole capital in government securities, and the Government returns them ninety per cent. of the amount (or, if not ninety per cent., then a smaller percentage,) in notes which pass as money. You may say that they are bound at all times to redeem these notes in legal-tender; but the legal-tender itself is not redeemed, and when a piece of paper with the guarantee of the Government, is as good as another piece of paper, which the Government does not redeem, nobody asks the bank issuing the first piece of paper to redeem it with the second. The result is, that to all intents and purposes, they are both irredeemable paper. A bank, then, with one hundred thousand dollars capital, gets one hundred and ninety thousand dollars credit, which it uses as money, and of this money, (with the exception of some fifteen thousand dollars, on part of which it receives interest in New York,) it is able to lend more than one hundred and fifty thousand dollars of paper, as if it was money, without the smallest ability to redeem a single dollar. But, more than that, being able to lend that paper, they soon get into the habit of lending their credit, without the paper. That is to say, the bank will pass to my credit ten thousand dollars. I have a note to pay, and I draw a check, and say, "Give me the money to pay my note." "We haven't any money." "What shall I do?" "Give us the check, and we will manage it with the bank which holds your note;" and they make some sort of an arrangement by which the note is taken up, without their having to pay a dollar of legal-tender or any other notes, although I have paid them interest on the amount, and have allowed them to treat it exactly as if it had been real money.

Any gentleman can see that this thing can be increased to an enormous extent, and this is the way the banks are creating a monopoly of what they call money, but which really is credit, and on which the whole business of the country is based. It has no value,

and therefore it cannot fix values. Therefore, we are floating upon an ocean of irredeemable credit, uncertain of the future, and with nothing to guide us. It is very much as if we undertook to make a voyage with plenty of sail, but no rudder and no ballast. We might take the chances, and sometimes make a good run; at another time, we should go to the bottom. The result has been an enormous increase of prices. Some gentleman mentions butter. This is all bought up by means of this credit, and what was formerly thought very dear at twenty or twenty-five cents a pound, is now retailed at sixty. So with poultry and meats of all sorts, which men sometimes destroy rather than sell below these double and treble prices which they demand. This has become a nuisance to every consumer in the country.

Then what is the moral effect? It is utter demoralization. The bank teller who is accustomed to pay out parcels of paper, and who sees that the bank is never called to any account for the credit it issues, thinks, "I may as well have a little credit," and he quietly takes twenty or fifty thousand dollars, and speculates with it. By-and-by he makes a failure, and then we hear of what is politely called an "irregularity." We are hardly safe with our most trusted clerks, and the banks do not feel safe with their cashiers. My bank is in the habit of sending me my bank-book every month, and I am obliged to examine it, and certify that the balance is correct, because they do not dare to trust their own tellers and book keepers. This is the result of this precious state of things. Dishonesty in the government makes everybody else dishonest.

Then I want people to look forward to the end of all this. At present, we are kept afloat on this ocean by virtue of the credit which Europe has granted us on the security of our bonds. Within a very short time, we have sent an enormous amount of government bonds to Europe, and, in addition, an enormous amount of railroad bonds and various other securities. They have been taken as cash, and the proceeds have been brought to this country in the shape of every species of consumable articles—tea, coffee, spices, silks, satins, muslins—no matter what. The articles have been used, consumed, and gone, and there we are in debt. Now let us suppose that from some cause or other there comes up a panic in Europe, and a corresponding one in this country, and that nobody will take American securities there, and nobody will trust the banks here. What is to be done? I can hardly imagine what would occur in this country, in such a break up of credit as would ensue.

Now, if we were on a specie basis, this thing would remedy itself in a very short time; but with every day, our indebtedness is getting

larger to Europe, the uncertainty increasing, and the danger of inflation more threatening. Our friend from New York told us truly that there was no possibility of escaping a fearful disaster in the end. Many of us have looked for it from day to day and year to year. Nobody thought, in 1857, that the failure of a single Trust Company in Ohio would spread disaster over the land; and nobody thinks now that we are on the eve of an universal break-up. I dare say we are not; but I do not know anything about it. I only know that (with the exception of the Government) we are getting deeper and deeper in debt every day.

And where is this to end? I am not foolish enough to suppose that all this can be set right in a day, or a month, or a year; but if we quietly begin to take in the slack, to draw in this irredeemable currency, under such restrictions as you please to throw around it, we are on the road to safety. Years ago, in Switzerland, there was a great fall of earth into the bed of a river between two mountains, which completely blocked up the stream. The stream kept swelling and swelling, until it became a great lake. It was evident that, at some time, it would burst its bounds, and the inhabitants began to consider what should be done. After some delay, they concluded that something must be done. They did not interfere with natural laws; they did not expect to override gravitation or overcome the natural tendency of water to run downwards, but they undertook to remove the obstacle which prevented the water from running downwards. They began to dig with great caution, and they dug and dug, but before they had quite completed the channel by which this water was gradually to be let off, some weak point was found, the water burst through, and an immense amount of damage was done; yet the neighboring country was substantially saved.

I have ventured to use this illustration because it is a very striking one, and I believe it is exactly in point. I believe that if we begin now to take away the obstacles to a sound currency, we shall succeed; that we shall be in time; that the dam will not burst before we have drawn off the water. But I am as confident as I am that I stand here, that every member of this Board who is living five years hence will regret it to his heart's core if he and the rest of the citizens of this country continue to neglect this obvious necessity and this obvious remedy for an approaching danger.

I said, and I repeat, that the farmers of this country are among the chief sufferers. Their grain has already gone down to specie prices. They get, I fully believe, but little if any more to-day for their wheat and corn and various products than they would if we were restored

to a specie basis. But I will tell them what they do ; they pay from two to three times the price for every article they buy from abroad, and especially from our eastern manufacturers, that they would if we were on a specie basis. It is utterly impossible for these enormously inflated prices to be kept up at the East, in the face of a return to specie. At the West, the fertility of the soil, and the natural tendency to resort to agriculture as the last resource in bad times will always make bread-stuffs cheap. I therefore appeal to the West as the section chiefly affected by the existing state of things, and as pre-eminently interested in a speedy return to a sound basis. It is true, that the materials used by some of our manufacturers cost them more than formerly, but the great difficulty lies in this,—that the materials produced at home and the labor for which they pay are altogether too high for safety. Their workmen will not suffer by a return to low prices, for they will buy everything at half what they now pay, and they will save a great deal more in what they consume than they will lose in wages. The importer suffers in the same way ; the distributing merchant suffers in the same way. I would say even to my protectionist friends, that the reason why this tariff is not absolutely prohibitory and has not shut out almost everything that they want to exclude, is because specie is depressed so unnaturally below the level of other values ; other articles are double in value, while specie is at only ten per cent. premium ; we can go abroad and buy articles at ten per cent. premium, and pay from thirty to sixty per cent. duty, and compete with the domestic manufacturer. If, then, we want to control importations, and render the tariff prohibitory, let us return to specie payments. What will the free traders say ? The comfort I have to give my free trade friends is, that when this is done, when specie payments are restored, and our tariff has become prohibitory, then this country will not tolerate that tariff another six months, and your tariff will have to be reformed, just as your currency has been.

I must again apologize for having been so long on my feet, and express my deepest thanks to those who have listened to me.

Mr. MCPHERSON, of St. Louis : I do not rise to discuss this question ; it has been sufficiently discussed already. We have heard the gentleman from Boston, (Mr. ROPES,) this morning and this evening ; he makes a very good argument upon his side of the question, and it may be a conclusive argument. But I want to make a proposition which I hope will meet his approbation, and that is, that we lay this question over until Monday, in order that some other questions may be taken up this evening. For instance, there are two or three questions which were referred to committees, one of which

stands prior to this on the calendar, and I understand the Committee are ready to report.

There are some gentleman who are interested in that question who are not so fortunately situated as the gentleman from Boston, and may not be able to stay here until Monday. I appeal to the courtesy of the gentleman to allow this matter to lie over until Monday, and have the report from the Committee, and spend a half-hour or an hour upon it.

Mr. ROPES : So far as I am individually concerned, I should be most happy to assent to the proposition of the gentleman, but I have no right to speak either for my colleagues or for those interested in this question.

Mr. WETHERILL, of Philadelphia : I do not intend to debate this question, I will merely follow out, in a very few words, the idea suggested by my friend from St. Louis. We have patiently listened to (may I say) the *lecture* of the gentleman from Boston, (Mr. ROPES,) in regard to an idea which some of us may carry out on Monday. I regret very much to hear any intimation that any considerable number of the delegates, disregarding the business we have on our programme, intend to leave for their respective homes on Monday. I intend to remain here until every article on the programme is gone through with. If any other member of the Board chooses to leave before that time, I am not responsible for his acts, and I intend to let him be the judge of them himself.

I hardly think it necessary to postpone action on this subject until Monday, for these reasons : In the first place, the resolution on the programme is identical with the one which was offered by a majority of the Committee at Richmond, passed by that meeting, and passed by this. Secondly, I doubt very much the policy of our acting upon the honesty or dishonesty of any body. The first resolution offered by the gentleman is, "That honesty demands the early liquidation of the overdue indebtedness of the Government." In other words, that honesty demands the early liquidation of the legal-tenders. The inference is, that those who differ from the idea of the gentleman from Boston, and do not think that any such thing is demanded—I need not say what the inference is. Therefore, I doubt very much the policy of acting upon that.

In regard to the third resolution, it is as follows :

Resolved, That the gradual liquidation of the indebtedness, as now existing in the form of legal-tender notes, is the only safe method of restoring the specie standard of value.

That proposition we have just voted down. I think, therefore, that we can act at once upon the resolutions.

Mr. ALLEN, of Philadelphia : I have a series of resolutions which I desire to offer as a substitute :

Resolved, That the resumption of specie payments can only be permanently effected when full crops, successful industry, and restored political harmony shall cause gold to flow hither and remain with us.

Resolved, That premature redemption will prove a curse and not a blessing.

Resolved, That this Board approves of the recommendation of the Comptroller of the Currency, namely : that the payment of interest on deposits by the National Banks be prohibited by law.

Mr. LATHERS, of Charleston : I have a resolution which I desire to offer as a substitute for the original and for the substitute.

Resolved, That this Board feels it a duty incumbent upon it to ask Congress to direct the redemption of legal-tender notes at the option of the holder, by issuing in their stead bonds bearing interest at the rate of three sixty-five one hundredths per cent. per annum, said bonds being made payable on demand, principal and interest, in the said legal-tender notes ; and that the National Banks be allowed to count said bonds in the reserve required to be kept according to existing law.

Mr. RANDOLPH, of Chicago : I wish to read to the Board what they have already done. After a discussion lasting an entire day, the Board adopted the following resolution :

Resolved, That in the opinion of this Board, the best interests of the country imperatively demand a restoration of the specie standard of value at the earliest practicable period.

The resolution presented from Boston is in these words,—and I ask the Board to pay attention to the language ; the difference in the meaning I have been unable to discover :

Resolved, That it is of the utmost importance to the best interests of the nation, that the currency be restored to the specie standard at the earliest practicable time.

That question, in substance, was before the Board this morning, has been discussed all day, and why, I ask, have not these propositions been presented before? The time of the Board has been consumed, its patience, I think I may safely say, has been exhausted, with this discussion, and I venture to say that no very new ideas have been presented to it; and in view of the fact, that resolution after resolution, as an amendment to the original proposition, has been voted down, when the question was up before, in view of the fact that the very proposition sent up to this Board from the Board of Trade of Boston has been adopted by it, and in view, also, of the fact, that there is another pressing matter before this Board, which demands disposition at our hands to-night, I move that the whole matter be laid upon the table.

This motion was carried, by a vote of thirty-one to twenty.

XVIII. FREE TRADE IN MONEY.

The propriety of concerting measures to abolish usury laws and to establish the principle of free trade in money, and to this end that this subject be continued on the programme.

Mr. GOSHORN, of Cincinnati: This proposition was discussed at the Richmond meeting, but in a different shape from that in which it is presented on the programme. The proposition as presented at Richmond was to urge upon Congress the passage of a law superseding all usury laws in the several States. The proposition as presented now is to petition the different State legislatures to pass an uniform law for free trade in money, and for an uniform rate of interest.

I do not propose to discuss this question, but will offer a resolution in order that the matter may be brought up:

Resolved, That in order to remove all restrictions from trade in money, and leave individuals at liberty to pay such rate as they may think proper, the National Board of Trade recommend to the States the abolition of the usury laws.

Resolved, That the Secretary be requested to furnish a copy of these resolutions to the different State legislatures.

The resolutions were adopted.

XIX. INTERNATIONAL COINAGE AND DECIMAL MEASUREMENT.

The propriety of continuing the subject of international coinage and decimal measurement on the calendar, in the hope of attaining practical results.

The SECRETARY : I have received the following communication from the New York Chamber of Commerce in relation to this subject :

At the monthly meeting of the Chamber of Commerce, held November 3, 1870, the Hon. WILLIAM E. DODGE, President, in the chair, the following resolutions were unanimously adopted :

The Executive Committee having reported to the Chamber of Commerce of the State of New York that a letter had been laid before them from the Secretary of the National Board of Trade, proposing to bring into discussion at its next meeting the subject of international coinage, but it appearing to the Committee that under a resolution of the Senate of the United States, the Government has opened a correspondence on the subject with several of the Governments of Europe, the results to be laid before Congress at its next session, the Committee have therefore recommended to the Chamber to advise that no definite action be taken on the subject of international coinage until the results of the correspondence now in progress by the Government shall be laid before Congress ; therefore, on motion of Mr. S. B. RUGGLES,

Resolved, That the Chamber adopt the recommendation of the Executive Committee, and that they respectfully advise that any public discussion of the subject in question, before the results of the governmental correspondence shall be laid before Congress, would be premature and inexpedient.

Resolved, That an authenticated copy of the foregoing be sent to the National Board of Trade and to the Chambers of Commerce and Boards of Trade in the principal cities of the United States.

Mr. GANO, of Cincinnati : In reference to this subject, I desire to offer the following resolutions :

Resolved, That the action of the National Board of Trade in regard to international coinage and decimal measurement heretofore taken be reaffirmed, and that the paper submitted at this session of

the Board by the Cincinnati Chamber of Commerce be without action in reference thereto promptly laid before Congress.

Resolved, That these subjects be continued in the programme of this Board.

MR. KIRKLAND, of Baltimore : In view of the communication just read from the New York Chamber of Commerce, I move that this subject be referred back to the Executive Council.

MR. GANO : I wish to say in regard to this matter, that if the subject is before Congress at the present time, it is certainly eminently proper that suggestions in regard to it should come from citizens of the United States ; and if the gentlemen of the National Board of Trade will look at the paper to which I refer in that resolution they will see that there is nothing dangerous in it, so far as any negotiations with other Governments are concerned. It simply suggests the adoption of a nomenclature which is in accordance with the French system, to a very great extent. I do not propose action upon it, and the adoption of these resolutions would certainly be the most indefinite action that this body could take ; simply to refer this paper, submitted by the Cincinnati Board, to go for what it is worth before the proper committee of Congress, without any recommendation from this body. I think if gentlemen will examine this paper, they will find that there is nothing in it likely to disturb the negotiations upon the question.*

MR. OPDYKE, of New York : I feel it my duty to say, in reference to this communication from the Chamber of Commerce of New York, that this matter was brought before the Chamber by **MR. SAMUEL B. RUGGLES**, who has been the representative, partly of our Government and partly of the Chamber of Commerce of New York, in reference to this question, in various conventions that have been held in Europe. He has had it on his mind as an engrossing topic for years. He informed us that he had learned from the Government that an effort to obtain additional information in regard to the disposition of the various Governments in relation to the subject was now in progress, through movements emanating from our own Government ; that he had conferred with some of the executive officers of the United States on the subject, and they had expressed to him the desire, that the National Board of Trade should, for the

* The paper referred to by **MR. GANO**, will be found in the Appendix.

present pass the matter over, until they got the desired information, after which they would be very glad to have the opinion of the Board.

I did not know precisely what the action of this Board was a year ago on this subject, nor have I learned from Mr. GANO's statement.

Mr. GANO : The tenor of it was, as I remember it, that the Board approved the unification of the coinage of the world, and the establishment of a more uniform system of measurement. This paper supplements this in a very modest way. It has no reference to negotiations with foreign Governments, but is simply a suggestion as to a form of nomenclature and form of a bill.

Mr. OPDYKE : If the action of the Board a year ago goes no farther than is stated by Mr. GANO, I can see no objection to its reaffirmation of it now.

Mr. KIRKLAND : I will withdraw my motion.

Mr. STRANAHAN, of New York : Does not the resolution which Mr. GANO offers carry with it the paper which he holds in his hand ?

Mr. GANO : Without any recommendation from this body.

Mr. STRANAHAN : I doubt the propriety of that. It may seem to carry with it the endorsement of this Chamber, and I do not like that this Chamber should send a pamphlet to Congress about which it knows nothing. It strikes me the pamphlet should be left where it is, and we reaffirm our last year's action.

Mr. KIRKLAND : The action last year was very simple : "The desirableness of efforts to secure uniformity of coinage among the commercial nations of the world." I renew my motion, that the whole subject, with Mr. GANO's pamphlet, be referred to the Executive Council, with power to take action or not, as they may deem expedient.

Mr. GANO : I have no objection.

Mr. HAZARD, of Buffalo : I hope the motion of the gentleman from Baltimore, (Mr. KIRKLAND,) will prevail. Mr. RUGGLES addressed a letter to me on the subject, in which he said that the negotiations with other Governments were of such a nature that they might be seriously disturbed if the matter was discussed at present.

The motion of Mr. KIRKLAND was adopted.

XX. INLAND WATER COMMUNICATION.

The importance of inland transportation by water, and the maintaining and improvement thereof, by State and national authority, as a commercial necessity in controlling and cheapening the cost of transportation of the great products of the country.

Mr. HAZARD, of Buffalo: *Mr. President*,—The subject of transportation has become of such general interest that it is being discussed by all classes and conditions of men. The owner and the operative of every manufacturing establishment, the extensive mining interests of iron, coal and copper, the producer of our great agricultural staples, and all that enter into the commercial prosperity and material wealth of our wide spread country, the consumer as well as the producer, are alike interested in the tax toll, or cost of transportation of the industrial products of the nation between the different States.

Hence the necessity of establishing a cheap and reliable communication of enlarged capacity, free from tolls or tax, for the enormous tonnage which is so rapidly multiplying between the great producing States and the seaboard. We have two modes of conveyance, that by the Mississippi to the South, and also by the lakes and the Erie canal and the Hudson river to the Atlantic ports at the East. The other mode is by the various railroads.

In considering the relative cheapness of the two modes of transportation, there can be little doubt in the minds of practical men of the great superiority of water over iron as a medium of transportation for all heavy products.

I am well aware that from the rapid increase and prosperity of railroads and their celerity of movement many persons have formed the opinion that this mode of conveyance will eventually supersede that of rivers and canals. This opinion, to some extent, is undoubtedly correct in regard to canals of small capacity depending on a strictly local traffic; but to say that railways, as regards capacity and cheapness of movement, are superior to a river or a well appointed large class canal, is as absurd as to say that iron is cheaper than water. While the hand of a man moves five hundred tons afloat, it will require five hundred men to move that amount on a railroad.

In discussing this proposition I do not wish to depreciate in any degree the usefulness of railroads, for it must be obvious to all that the inestimable advantages derived from their establishment has made them indispensable in the commercial economy of the country.

There should be no antagonism between railroads and canals. Both are necessary to the commerce and prosperity of the country, and with their extension and improvement the traffic of both will increase in exact ratio with its growth and expansion. In this connection it may be well to look for a moment at the present absorbing and monopolizing tendency of railroads. On all sides we see consolidation and combination. Continuous lines and competing routes have joined in one common interest until these associations have become a tremendous overshadowing power for good or for evil. These gigantic organizations, when well governed by the laws of trade and healthy competition, exert a beneficial influence on the commerce of the country, and without doubt it is better for the public, and also for the railroads, that such competition should exist; but if suffered to expand into monopolies, the people will be compelled to suffer the penalty. As a fair illustration of the beneficial effects of competition between canals and railroads, it may be well to state that the usual rate of freight on a bushel of wheat during the past season from Buffalo to New York, say five hundred miles by Erie Canal and Hudson river, has averaged eleven and a half cents. The price by railroad has been about the same. The navigation by canal being now suspended, the freight by rail is eighteen cents a bushel on wheat. The price of freight by rail from La Crosse, Prairie du Chien, and other points on the Mississippi to Milwaukee and Chicago, a distance of two hundred miles, where there is no canal or competition, is eighteen to nineteen cents a bushel.

I leave it to arithmeticians to cipher out what the price would be from Buffalo to New York if there was no canal, or how much it would cost from the Mississippi to tide-water if there was no waterway on the route. Water is the only element of which railroads stand in fear.

The demand for an enlarged and cheap line of water transportation from the West to tide-water is becoming more and more imperious every year, and I see no way of meeting a necessity so indispensable to the improvement and prosperity of the country unless through the aid of Congress.

While other nations have lavished treasures in fostering distant colonies, hoping that at some future day the expenditure might be repaid by the development and increase of commerce, our Government has been content to let the West take care of itself. With the exception of grants of lands to railroads, a million or so of wild acres, comparatively valueless, without improvement or approach, it has pursued a slow and stinted policy towards lake and river improve-

ments, and has done but little to contribute to the development and prosperity of the Western States.

The works of internal improvement, (canals and railroads,) which have added so largely to the commercial necessities and national wealth of the country, with the exception of the few land grants alluded to, were constructed solely at the expense of individual States and private capital. Many gentlemen present will recollect the discussions in Congress some years since on the subject of lake harbors, and the impropriety of appropriating money for a harbor not supplied with salt water.

On the ground of unconstitutionality the appropriations for dredging a channel through the St. Clair flats connecting the lakes was refused year after year, until the initiative was taken by individuals engaged in the commerce of the lakes, who by private subscription, in 1855, engaged the services of a competent engineer, and dredged a channel sufficient to float the largest vessel then navigating the lakes. Subsequently, as the West became stronger, appropriations were made from time to time by Congress to enlarge and complete this necessary work. The Erie canal, which, hitherto, has wrought such beneficial results in a national point of view, was projected in 1806. The State of New York at that time renouncing all advantages of geographical position, except in participation with other States of the Union, declared that the object of a canal between the great lakes and the Hudson was to encourage agriculture, promote commerce and manufactures, and facilitate a free and general intercourse between the different parts of the United States, and to consolidate and strengthen the Union. It was furthermore intended by the projectors of this enterprise, that no toll or tax should be levied upon property passing through the canal, other than that what might be necessary for expenses of repair, etc. The Government was strongly urged, and it was confidently expected that Congress would make an appropriation for that important national object. It did not seem possible to those eminent statesmen, CLINTON, MORRIS, FULTON and others, who were empowered to make applications to Congress in behalf of the State, that a project so universal in its benefits would be left to the efforts of a single State. The bill went before Congress with a special message from President MADISON in its favor, and also a letter from Mr. GALLATIN, then Secretary of the Treasury, urging, upon considerations of the wisest statesmanship, a favorable consideration of the bill appropriating eight million dollars for the work, but on account of the war then impending with Great Britain, it was, for prudential motives, thought best to refuse the appropriations, and

the State of New York, with her limited resources, was left to go on alone with the immense undertaking, but the noble projectors of this work were not intimidated. With prophetic eye they saw looming up in that almost untrodden wilderness beyond the inland seas, and far away to the other side of the Father of Waters, the land of promise with its marvellous riches, and their faith was strengthened to go forward. The canal was commenced in 1812 and completed in 1825, at a cost of eight million dollars, with a channel of forty feet in width by four feet in depth, but that little water-way immediately reduced the price of transportation between Albany and Buffalo from seventy dollars a ton to ten dollars, and was at once invested with an importance which astonished its defamers and gratified its friends. The tide of emigration from the Old as well as the New World was not slow to take advantage of its easy transit toward the rich prairies of the West, and the stimulus imparted to that fertile region soon filled "CLINTON'S Ditch" with an amazing commerce. In 1835 the canal was found insufficient to meet the increasing Western tonnage, and an enlargement was commenced which, after many delays during twenty years, was completed at a cost of sixteen millions of dollars to the present size of seven feet in depth and seventy feet in width, but unfortunately the locks and aqueducts do not correspond in size with the prism, being adapted to boats of only two hundred and twenty-five tons. This incongruity between the prism and locks not only restricts the tonnage capacity of the canal but necessarily establishes a high rate of transportation, and a slow rate of speed as the boat is quite too small for steam. Capacity, speed and cheapness are essential requisites in meeting the exigencies of a commerce confined, as this is, to seven months of the year.

The Erie canal has capacity of prism sufficient to float twenty million tons to tide-water during the seven months of navigation, but the disproportioned locks curtail its tonnage to three millions of tons eastward.

With an enlargement of the locks to a size commensurate with the prism, the size of the boats could be increased from two hundred and twenty-five to six hundred or six hundred and fifty tons. The price of freight, in consequence of the enlarged boat, could be reduced proportionally with the increase of cargo, and the speed of the boat, by the use of steam, would be double that of the present system of towing by horse power. Can there be a doubt in regard to the great national advantages that would result from such an enlargement and cheapening of transportation?

The ten food producing States of Michigan, Indiana, Ohio, Illinois, Wisconsin, Iowa, Minnesota, Missouri, Kansas and Nebraska, embracing a domain of four hundred million acres, with scarcely one-quarter of it under cultivation, now the field of vast activities and rapidly increasing wealth, but fifty years since was almost a trackless wilderness.

The population of those States in 1860 was nine million and sixty-one thousand, and the product of grain five hundred and seventy millions of bushels. By the recent census the population of these States is about thirteen millions, and we may safely estimate the product at one thousand millions of bushels. But it must be borne in mind that these great food producing States are but the gateways to an almost boundless extent of uncultivated territory of genial soil and climate. "A land of gold and silver, a land of wheat and barley, a land without scarceness, whose stones are iron, and out of whose hills thou mayest dig brass;" where territories are as large as empires—whither the tide of emigration is rapidly flowing, and towns and cities are springing into life as if by magic, and will soon be the centres of civilization and refinement, and the sources of more than an imperial commerce.

The important question of the comparative capacity of the different nations of the world to supply the cereal food which the world requires, arose so naturally out of the visible exhibition of cereals of all nations at the Paris Exhibition in 1867, that it was deemed worthy to be separately examined and made the subject of a special report, accompanied by information upon the commercial movement of cereals among the leading nations, as well as information in regard to the facilities for transportation. This duty was ably performed by the Hon. SAMUEL B. RUGGLES, who states, in his interesting report, the product of all Russia to be one billion, four hundred and eighty-three million, four hundred and seventy-three thousand, six hundred bushels, being at the ratio of a fraction over twenty bushels to each inhabitant. Germany, France, Austria, Great Britain and Ireland, two billion, two hundred and eighty-six million, five hundred and eighteen thousand, four hundred and forty-three bushels, being a fraction over eighteen bushels to each person. Sweden, Norway, Denmark, Holland, Belgium, Switzerland, two hundred and three million, seven hundred and twenty-three thousand, five hundred and thirty-two bushels, being nearly thirteen bushels to each inhabitant. Portugal, Spain, Italy, the Danubian Principalities and Turkey, six hundred million, four hundred and ninety thousand, two hundred and eighty-seven bushels, being a ratio of nine and six-tenths bushels to the

population; making the grand total of Europe four billion, five hundred and eighty-three million, one hundred and sixty-nine thousand, two hundred and eighty-one bushels. The cereal product of the United States in 1860 was one billion, two hundred and twenty-one million, four hundred and twenty-eight thousand, four hundred and fifty-two bushels, being thirty-eight two-tenths bushels to each inhabitant. The recent census will probably report a product of nearly two billion bushels for the year 1870—the largest cereal product and ratio of any country in the world. The production, we may presume, will continue to increase from year to year, and, in view of this enormous product, the question naturally arises, what are we to do with it? It is certainly better to provide cheap transportation and supply the hungry millions, who stand ready to exchange their gold for it, than to let it go to waste or be burned for fuel, as has been the case in some portions of the West.

The United Kingdom of Great Britain and Ireland, with its increasing population, its prolific fields and its splendid system of agriculture, is subject to a permanent and increasing deficiency of food, and has become the great market for the surplus food of all nations. The imports into that country during the past year amounted to eighty-three million, six hundred and thirty-one thousand, four hundred and two cwt., of one hundred and twelve pounds each, of cereal food, of which the United States furnished in flour and wheat, fourteen million, seven hundred and forty-six thousand and sixty-five cwt., or nearly one-sixth. The balance was supplied by Russia, Germany, France, Egypt, Turkey, Hungary and some other countries. In competing for the supply of the English market, it will be found, what has already been learned by the commercial world, that the most formidable rival of the United States is Russia.

For the moment we have some advantage in the quality of our grain, and at times in our transports, but this is only temporary. That great country, stretching from Archangel to the Crimea, and from the Baltic to Siberia, so like our own in its configuration, is rich in agricultural resources, and is already carrying on an extensive system of internal improvement, tending to cheapen the transportation of her products to the seaboard, and establish her supremacy in this trade.

It must be obvious to the most careless observer that we cannot afford to continue the stand-still policy, and supinely witness a trade so essential to the development and commercial prosperity of the country checked and supplanted by other nations, for the want of cheap transportation facilities between the producing States and tide-water.

The exigencies of the times and the future welfare of the country call imperatively for enlarged and reliable conveyance by water as a national necessity in controlling and cheapening the cost of transit between the food producing States and the Atlantic ports. The Northwest, it is true, has a natural highway, the Mississippi, bearing its almost continental commerce to the Gulf of Mexico, free to all. But traffic is arbitrary, and seeks other routes than those ordained by nature, and the hand of man interposes to overcome the obstacles, and so it was that the Erie canal was constructed as a continuation of the Hudson river through the lakes and the Illinois and Michigan canal to the valley of the great river of the interior. During forty-five years the Erie canal has performed its beneficent work, but the day is now at hand when its further enlargement would confer a greater benefit to the country than it has already bestowed.

I have previously alluded to the inadequacy of the locks as well as the superior capacity of the prism of this canal and the advantages consequent on increasing the size of the former to correspond with the latter. By the enlargement of the locks to a size sufficient to pass barges of six hundred tons, propelled by steam, the price of transportation on a bushel of grain would be reduced one-half the present cost, and other commodities in the same proportion. The reduction of five cents on the transportation of a bushel of grain appears like a small matter, but when applied to millions of bushels, the result is startling.

The receipts of all kinds of grain, by reducing flour to wheat, at the ports of Chicago, Milwaukee, Toledo, Detroit and Cleveland, from August 1, 1868, to July 31, 1869, were one hundred and twenty-one million, eight hundred and fifteen thousand, two hundred and sixty bushels.

The difference of five cents a bushel would amount to over six millions of dollars. The receipts of grain at Buffalo during the present season, reducing flour to wheat, were forty-five million, six hundred and thirty thousand, three hundred and eighty-one bushels.

With enlarged locks there would have been saved in cost of transportation to tide-water, at a difference of five cents a bushel, two million, one hundred and seventy-one thousand, two hundred and fifty dollars. I assume that the canal governs the price of transportation during the season of navigation, not only for itself, but compels the railroads to approximate to its rates. There can be no doubt of the salutary effect of such an improvement upon the whole country, in stimulating its industry and enabling it to compete successfully in foreign markets in the sale of its products.

If the benefits of such an improvement are national, can there be any good reason why the work should not be nationalized? Can there be a more paternal or a nobler undertaking for a great Government like that of the United States, than to make this contemplated improvement a magnificent free water highway for the increase of commerce, and for giving its people cheap food? Are we to remain passive in this emergency, and see the development of the country retarded and its traffic cramped and directed to a foreign channel?

Already have the ports on the St. Lawrence attained to a successful competition with the Atlantic ports in the exportation of American products.

The Dominion of Canada is now looking on with lively interest to the encouragement of this trade in cheapening transportation by the enlargement of her canals and constructing new and shorter channels of communication with the Northwestern States. The laws of trade are so absolute and regardless of social and national ties, that it will be conceded by practical men, that traffic will always seek the cheapest channel, and it may happen, if we indulge too long in our *RIP VAN WINKLE* slumbers, that the improvements now projected in the Dominion may deprive us of the supremacy we now enjoy in our legitimate commerce. The enlargement of the Erie canal is no new project; an appropriation for this measure and that of the enlargement of the Illinois and Michigan canal was favorably reported in Congress during the session of 1862, but was defeated in the House of Representatives by a vote of seventy-two nays and sixty yeas. But so impressed were many of the members of Congress with the national importance of the work, that ninety-eight Senators and Representatives issued a call for a Convention at Chicago, which took place in June, 1863, when these projects were again discussed, and strongly recommended to the consideration of Congress.

To show the national character of the traffic of the Erie canal it may be of interest to state the proportion for a few decades of the New York State or local tonnage, compared with that of the Western States arriving at tide water :

1840	there	were	319,167	tons	local	and	129,580	Western.
1850	"	"	530,358	"	"	"	841,501	"
1860	"	"	379,086	"	"	"	1,896,975	"
1869	"	"	229,121	"	"	"	2,028,568	"

Thus it will be seen that the local tonnage in 1840 was more than twice as large as the Western ; in 1850 the West exceeded it by more

than fifty per cent., and ten years later was five times larger, and in 1869 the Western was ninety per cent. of the total tonnage.

On facts like these the national character of the Erie canal has been fully established. It is the medium of transport, not for the trifling products of a single State, but for the accumulated products and manufactures of many States and Territories in their commerce with each other and with foreign nations. The enlargement of this important water-way concerns the East and the West. The cities of Philadelphia, Boston, Portland, New York, and every town and hamlet in New England are alike interested in obtaining the staff of life at cheap rates. Will the great cities of the East object to an improvement which is to give them cheap food?

Need I speak of the importance of cheap transportation to the cities of the West? Can it be said of the city of St. Louis, sitting like a queen on the bank of that great river, receiving the tithes and offerings of vast possessions, that she has no interest in the commerce and improvement of the lakes and Erie canal? Will Chicago, whose marvellous enterprise and prosperity have made it the American wonder of the nineteenth century; or Milwaukee the beautiful gem of Lake Michigan; or Detroit, the elegant and refined City of the Straits, and Toledo and Cleveland, and many others, cities all eminent for their enterprise and intelligence, which in their infancy, as it were, received such inestimable benefits from the Erie canal—will they not sustain a proposition for enlarging, nationalizing and making free a great commercial water highway, fraught with so many benefits to them and to future generations? (Applause.)

I will read these resolutions on the subject:—

Resolved, That the maintaining and improvement of inland transportation by water, natural and artificial, as a commercial necessity in controlling and cheapening the cost of transportation of the agricultural, mining and manufacturing products of the country, is incumbent alike upon the States and the General Government.

First—Upon States, on such water-ways whose traffic is of a local character; and

Second—It is plainly the province and the duty of the Government to improve such water channels, rivers or canals whose traffic or tonnage, being the commerce of many States or groups of States in their intercourse with each other, may be considered national in its character; therefore

Resolved, That the tonnage of the Erie canal, in its connection with the commerce of the great lakes, being strictly national in its

character, it is eminently proper that the General Government should and it is respectfully requested, to take such measures, in connection with the State of New York, for such enlargement and increase of its tonnage capacity as shall tend to cheapen the cost of transportation between the Western and Eastern States, thereby adding to the material wealth of the country.

Mr. RANDOLPH, of Chicago: *Mr. President*,—Mr. HAZARD has eloquently and fully spoken of the importance, not only to the East but especially to the West, of all questions which relate to transportation. Certainly, there is no question at this time that so much interests the people of the Northwest as that of cheap transportation. Upon it depends the prosperity and success of the thousands of emigrants from foreign countries who are seeking the undeveloped wealth of the territory that lies beyond the lakes; and in order to develop properly our vast domain in that direction, as well as to supply cheap food to those who are upon the seaboard, this question of cheap transportation takes the first rank among us in all discussions of public economy. The question of the enlargement of the Erie canal is one that we have been discussing for the last generation, and we have for years been urging and entreating the State of New York to enter upon the work; and last night, as I listened at the banquet to the touching pathos of the son of that far-seeing statesman who was the originator of this great work, I felt almost like saying to the General Government, “you owe to this work anything that may tend to bring it to that condition of perfection which its originators had in view.” But, gentlemen, Judge CLINTON referred to one tender, sore spot. He referred to the apathy of the people of the State of New York upon this great question.

Now, Sir, we at the West hold that there is no subject that so much interests us as this; and still, I apprehend that if you ask us to go to the General Government and suggest that it put its hand into the treasury and enlarge this work,—do the work which the State of New York ought to do, do the work which the State of New York is bound to do, there will be serious—there will be strong objection.

Allow me for a few moments to look at the condition of this work as it is presented to us to-day. Mr. HAZARD has given us some of the leading features in connection with the origin and inception of this work. I have gathered from some of the reports which have been issued by the officials of the State of New York, some interesting facts and figures; and while I do not propose to detain this Board for any great length of time with the recital of dry statistics,

still, there are a few figures which, in this connection, are of vital importance. In an elaborate report from the office of the Canal Commissioners, made to the Legislature in January, 1868, I find these items:

That the surplus tolls from the various canals in the State of New York that have been paid into the Treasury of the State from 1836 to September, 1868, amount to sixty-seven million, seven hundred and eighty-eight thousand, one hundred and nineteen dollars and thirty-three cents. But between the years 1836 and 1868, in order to meet some of the maturing obligations incurred by the State for account of the canals, certain taxes were laid upon and collected from the people of the State of New York. These amounted, according to the same report, to fifteen million, six hundred and one thousand, six hundred and seventy-eight dollars and sixty-nine cents; which leaves a net balance received by the State from the canals, up to September 30, 1868, of fifty-two million, one hundred and eighty-six thousand, four hundred and forty dollars and sixty-four cents.

All the canals in the State, except the Erie and Champlain, appear to have lost money to the State; and there has been paid from the net earnings of the Erie and Champlain canals, to make up the deficits of the others, as follows: (Understand that these deficits are in addition to the amount I have stated as having been paid into the treasury:)

The deficit for the Genesee Valley canal, for the same	
length of time, amounts to,	\$2,074,280.28
Chenango canal,	1,392,228.01
Chemung "	1,330,580.30
Black River "	871,416.84
Oswego "	624,063.04
Crooked Lake canal,	418,358.70
Cayuga and Seneca canal,	151,831.64
Baldwinsville canal; (a work, by the way, which I	
believe is now abandoned,)	17,312.87
Oneida Lake and River Improvement, (which is a	
mere continuation of the others,)	133,488.63
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Making of deficits which have been paid by the Erie	
and Champlain canals,	\$7,013,560.31
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In addition to that, there was taken from the earnings of these canals, to pay for certain stock on the Chenango canal, two million, three hundred and sixty-two thousand, five hundred and thirty-five

dollars and sixty-six cents. There is, then, nine million, three hundred and seventy-five thousand, nine hundred and ninety-five dollars and ninety-seven cents to be added to the surplus tolls which I have stated have been paid into the State Treasury, earned by the Erie and Champlain canals, and appropriated to the others, which makes a total of sixty-one million, five hundred and sixty-two thousand, four hundred and thirty six dollars and sixty-one cents received by the State from the earnings of the Erie and Champlain canals, to September 30, 1868; which has been considerably increased since, but how much I do not know.

The entire amount of canal debt at this time I do not know exactly, but I believe it amounts to something less than ten millions of dollars. On the 30th of September, 1868, it amounted to fourteen million, two hundred and forty-nine thousand, nine hundred and sixty dollars; and there was to the credit of the sinking fund, set off for the redemption of this debt something over three and a quarter millions; so that the debt now, I apprehend, is something less than ten millions of dollars.

The entire cost of all the canals in the State I am not able to ascertain, from any data which has come to my hands, with any degree of definiteness, but whatever it may have been, it has been reduced by payments from the earnings of the canals to less than ten millions.

Now, there are in the State of New York about nine hundred miles of canal, including the feeders and internal improvements connected with the canals, which are mainly for short distances. The Erie canal, from here to Albany, with its connecting feeders, and including the distance from West Troy to Albany, is about three hundred and sixty-one miles long. Now let us see how this canal pays a revenue to the State. Mr. HAZARD has told us that ninety per cent. of its revenue comes from the Western States. The lengths which I will state are the lengths including, as I said before, the feeders, and all the continuations of river improvements:

Canals.	Length.	Tolls for the fiscal Year 1868.
Erie,	361	\$3,768,209.14
Oswego,	77	164,627.97
Champlain,	81	199,757.35
All others, included in list just read,	381	113,969.10
Total,		<hr/> \$4,246,563.56 <hr/>

It will thus be seen that the tolls received from the Erie canal, three hundred and sixty-one miles, were three million, seven hundred and sixty-eight thousand, two hundred and nine dollars and fourteen cents, against one hundred and thirteen thousand, nine hundred and sixty-nine dollars and ten cents received from three hundred and eighty-one miles of other canals. Mr. HAZARD has told us that of this three million, seven hundred and sixty-eight thousand dollars, ninety per cent. was paid by the West.

The average of tolls a mile on these canals, according to the report from which I have quoted, is as follows: Erie, ten thousand, four hundred and thirty-eight dollars; Oswego, two thousand, one hundred and thirty-eight dollars; Champlain, two thousand, four hundred and sixty-six dollars; all others, (three hundred and eighty-one miles long,) two hundred and ninety-nine dollars and thirteen cents. And included in these canals is one which by the report I see did not pay, by its entire tolls, the salaries of the collectors who took the money, much less any repairs or other expenses.

Now, Mr. President, I ask who has paid for these New York canals? Have the people of the State of New York done it? Ninety per cent. of these tolls have been paid by the West. New York feels to-day what we told her, years ago, she would feel that the business of the Erie canal is being diverted, that she is losing her supremacy in this matter. She begins, I say, to realize this, and now comes up and asks that the United States will put its hand into the treasury and pay for this improvement.

Mr. HAZARD: I beg your pardon. The State of New York never has asked any such assistance from the Government.

Mr. RANDOLPH: I believe that is true, but it is proposed by a body in the State of New York, (to wit, the Buffalo Board of Trade,) that this Convention shall ask it.

Mr. HAZARD: This is not a local measure; it is a national measure. The State of New York has never asked the Government to make this improvement. It did once give permission to the General Government to widen the locks of this canal.

Mr. RANDOLPH: I hold in my hand an argument before the House Committee on Commerce, in Washington, by the Hon. D. S. BENNETT, the Representative in Congress from this District, in support of a bill which was pending in the House asking for an appropriation from Congress to pay for the enlargement of this work. I understand that is a kindred measure to the one which is pending before this Board at this time. I can in no other way construe the resolutions which have been offered by Buffalo. Am I right or wrong?

Mr. HAZARD : I have said, Sir, that the State of New York has never asked the Government for any appropriation. We have nothing to do with Mr. BENNETT's bill at all. The measure before this National Board of Trade is an entirely independent one.

Mr. RANDOLPH : I will treat it so, then. I had supposed that this was an endorsement of that measure. This measure originated in the city of Buffalo, and I presumed it was intended to strengthen that measure, which has not yet been passed by the Congress of the United States. If I have mistaken it I beg to be forgiven.

I say, Sir, that we at the West believe the State of New York ought to do this work itself. She has received the money from us to do it directly, from the tolls upon our produce—a portion of which we have paid and a portion of which the people of the Eastern states have paid, in the way of increased cost of that which they have consumed. Now I ask, what does the proposition before this body mean? I can construe it,—whether it is in reference to the pending measure before Congress or not,—in no other way than that this Board shall ask the National Government to put its hand into the treasury and improve these canals. Whether it be a new measure or an old measure matters not; the fact remains the same.

Now, Mr. President, I do not believe this Board should be swift to give its endorsement to any measure which is of doubtful propriety; and I call your attention regretfully—most regretfully—to the action of this Board last winter in Richmond, touching the matter of internal improvements, which was before the body at that time. I believe it received a very large vote—certainly a two-thirds vote. It asks, in language too plain to be misunderstood, that the General Government will undertake the work of constructing a canal, at an expense of about forty millions of dollars, with a tunnel through solid rock about nine miles long, from nowhere to nowhere, in a commercial point of view; that is from the headwaters of the Ohio, which are dried up, practically, three months in the year, frozen up three months in the year, and the balance of the time navigable against a swift current to a city, or to a point upon which it is proposed to build a city, which shall take care of the commerce of the nation which shall pass through this great highway. I think, Sir, that action was ill-advised, and I do not believe there was a member of that Board, who, if he had had a vote in Congress, would have dared to vote for such a measure. It has not merit in it sufficient to justify such an appropriation by the General Government, and it seems to me that any action on the part of

this Board favoring the depletion of the public treasury to such an extent, for a chimerical scheme, is unwise and injudicious.

I am in favor of internal improvements where they are practicable. I believe it to be the duty of the General Government to take care of the harbors upon the seacoast ; I believe it to be the duty of the General Government to take care of the important rivers of the country, especially such as divide States ; I believe it to be the duty of the Government to have the care of the harbors of these lakes ; I believe it to be the duty of the Government to connect these lakes, where they are not connected in a navigable way ; and if this was a new work, if it was a work that the General Government ought to undertake, if it was a work that it could undertake, I should, perhaps, be in favor of it, for I grant you it is of national importance.

What the West wants is speedy relief—*speedy relief!* We cannot wait five or ten years. We must have additional outlets. Our granaries are overflowing, and we must have relief of some kind, or the great growth in that territory must be checked ; it cannot be otherwise. Mr. HAZARD has stated to us that this proposed enlargement would relieve the West of about (as I remember his figures) five cents a bushel on its grain going eastward. While I do not hold him in any degree responsible for what I shall now read, I give it to you for what it is worth. In a part of the argument of Mr. BENNETT to which I have alluded, occurs this passage :

“ Mr. WALKER, of Buffalo, who is at present statistician of the Produce Exchange of New York—(whom I recognize as good authority on all statistical matters)—than whom no man is more thoroughly informed on statistical matters, makes the following computation of the reduction which can be made in the cost of transportation from Chicago to New York, through an enlarged canal, with an accompanying diminution of State tolls and of the elevator charges for transferring.”

The exact time when he figured what he calls “ present rates,” I do not know, so I will make no reference to them. Whether they are correct or not, I have no means of determining ; I presume them to be so. The “ prospective rates,”—which I presume means what they will be when this improvement is accomplished, are as follows : Wheat, a ton, lake freights, two dollars and thirty-eight cents ; canal freights, one dollar and seventy-eight cents ; transfer charges, eighty-three cents ; State toll, (intended for the purpose of paying the expense of repairs) sixty-three cents ; making a total of five dollars and sixty-two cents a ton, when this work is completed.

Now let us see how much of a reduction that is. Mr. HAZARD has stated to us that the average freights during the past season have been eleven and one-half cents from here to New York. I believe him to be about right. They have been as low as ten cents, and I think as high as fifteen. I expect eleven and one-half cents is about the average. The lake freight has ranged from three and one-half to five or six cents. I think it fair to say that the majority of the grain has been removed, taking all times and amounts, at an average of not exceeding four cents a bushel. I have not conferred with my colleague, but I appeal to Mr. PRINDIVILLE whether that is about right or not.

Mr. PRINDIVILLE : A little more.

Mr. RANDOLPH : He thinks it is a trifle more. I have figured this at four cents. Transferring charges in Buffalo, one cent ; making sixteen and one-half cents a bushel from Chicago to New York, or five dollars and fifty cents a ton, against five dollars and sixty-two cents a ton by this improved canal. I fail to see where the advantage is to the West.

But I do not accept these figures as true. I believe it can be done for very much less. I believe that if the Erie canal was enlarged to-day, so that boats could pass its whole length of the capacity that can pass through the line now, with the exception of the locks, our freights would be reduced from three to five cents a bushel, if the tolls were taken off. But I ask Mr. HAZARD, I ask the Buffalo Board of Trade, what probability there is, if this body endorsed this measure, and if the Congress of the United States appropriated the money, that the people of New York would consent to this measure. I have shown you what a fund they have received from the Erie canal ; I have shown you that every other work of the kind in the State is a dead loss to them ; I have shown you that the Erie canal pays the expenses of the others ; I have shown you that it has paid for all the other works, and the debt is reduced to less than ten millions of dollars. Within the last two months a proposition was submitted to the people of the State of New York, as an amendment to the constitution of the State, which is substantially this : That the constitution be so amended as to give authority to the legislature of the State to extend the canal debt to such time as it could be paid, with a reduced toll. Not to liquidate the canal debt by taxation, by any means, but merely to extend it, so that a reduction of toll could be allowed. This proposition was submitted to the people of this State and voted down by a majority, I believe, of seventy thousand, within the last month. Why ? They do not want the tolls reduced.

They propose to draw upon this treasury to the very last dollar. Why, Sir, a proposition was made in the Constitutional Convention of New York, within the last three or four years, by a prominent gentleman of this State, that an article should be inserted in the new constitution which would authorize the continuance of these tolls upon the Erie canal until the whole debt of the State of New York was paid, including what he chose to call the bounty or war debt. That proposition did not receive the endorsement of the people of the State of New York, and I merely mention it to show you what a prominent man of this State proposed to do with this work.

Now, as I said before, we cannot wait for this enlargement an indefinite period, and I believe that this measure, instead of being one calculated to promote the interests of the West, would prove a hindrance. I appeal now, to illustrate what I have to say, to a report kindly placed upon my desk by the Secretary of the Buffalo Board of Trade; and I appeal to these figures as illustrating somewhat further than Mr. HAZARD has done—although he has alluded to the same subject, and very properly—the decline in the business of the Erie canal, or, as I may say, the city of Buffalo.

In 1866, the receipts of grain at the city of Milwaukie were fifteen million, eight hundred and six thousand, four hundred and fifty-four bushels; in 1867, thirteen million, seven hundred and six thousand bushels; in 1868, fourteen million, eight hundred and six thousand bushels; in 1869, eighteen million, eight hundred and fifty-six thousand bushels, showing substantially a gradual increase in the receipts at that city. The receipts at the city of Chicago during the same time were: In 1866, sixty million, eighty-four thousand bushels; in 1867, fifty-two million, four hundred and seventy-five thousand bushels; in 1868, fifty-nine million, eight hundred and fourteen thousand bushels; in 1869, fifty-three million, eight hundred and thirty-two thousand bushels, showing a slight decline in some years and then again an increase, holding about its own. There are other lake ports, which are more or less tributary to Buffalo, which present substantially the same figures, showing an increase or that they hold their own; but as they are quite numerous I will not read them. In 1866 the receipts at Buffalo were fifty-one million, six hundred and fifteen thousand bushels; in 1867, forty-three million, six hundred and forty-six thousand bushels; in 1868, forty-two million, four hundred and ninety-seven thousand bushels; in 1869, thirty-seven million, fifty-six thousand bushels. Why this decline? Simply because new avenues had been opened, railroad transportation had come into more general use, railroad lines had materially reduced their charges, and because we of the West

could get lower freights and better arrangements in every regard. Our business through Canada was largely increased during those years. The question of freights was what controlled it.

I will detain you but a moment longer. I do not wish, Mr. President, to be understood as opposing anything which interests the people of the State of New York; especially do I not wish to be understood as opposing anything which interests the people of this city in which we have been so kindly entertained, and the residents of which we at the West so highly respect. Our business intercourse with them is of the most intimate character. We desire their prosperity as much as we desire our own. We want this Erie canal enlarged. We want the people of New York to do it. We do not believe they can get an appropriation from Congress for this purpose, because the moment a proposition of this kind is introduced into Congress, twenty others are tacked on to it, that are of less general interest, but have great local importance. We know how these matters are managed there. We know that when a worthy proposition comes up, Mr. A. from one district, and Mr. B. from another want a similar appropriation. Suppose Congress was willing to grant this appropriation, in comes the State of Virginia, and, referring to your action, asks for forty millions to construct a line of canal across their State; the State of Wisconsin wants, I do not know how many millions, to construct a canal from the Mississippi river to Green bay; the State of Illinois wants to construct a canal from the Mississippi river to Chicago; and how many more of these works there are I leave for your imaginations to suggest; I cannot enumerate them.

Now, Mr. President, I judge that the chances of getting this measure through Congress are exceedingly small; but were it to get through, is there any probability, in view of the action of the people of this State within the last few months in reference to this matter, that they could ratify it? No, Sir, I have not the slightest idea that they would. This is, as I remarked before, too valuable a fund for them to draw upon. Now, what is the remedy? How can we succeed in getting this work accomplished? If such facts as I have shown to you could be brought to their knowledge by such persons as Mr. HAZARD and other gentlemen in this city and throughout the State, they would see it for their interest to do this work, and thus do justice to the people of the West; but the moment you transfer the agitation of this subject from the people of this State to Washington, every man looks to the public treasury, and is anxious only to find some means by which he can get the General Government to undertake the work, and all interest in forwarding the measure in the

State of New York ceases. If I, as a Western man, could call upon the United States to-day for ten or fifteen millions of dollars to aid the traffic of the West and ensure cheap transportation, I could not do it for this work. I regret that one of the delegates to this Board from the New York Chamber of Commerce, the Hon. WM. E. DODGE, Jr., has not been present during this session. At the last session of the Canadian Parliament, a charter was granted by that body for the construction of a canal through Canadian soil, I grant you, and substantially parallel to the Welland canal, entering Lake Erie above Buffalo, in still water, landing not at the present terminus in the Welland canal, because of engineering difficulties, but at the mouth of the Niagara river, on Lake Ontario.* Competent engineers, the best in the Dominion,—and I will say to my friends from New England, that among them is Mr. SHANLY, who is now engaged in the construction of the Hoosac tunnel,—estimate that the cost of the work cannot exceed five millions of dollars, which will furnish a canal of a capacity to float the largest class of lake vessels—about fifteen hundred tons. With that work constructed, where are we? We are on Lake Ontario, and we can land our products where we please. But I think I hear our friends from New York say, “Oh, that is carrying the commerce of the United States into British hands, and to that the people of the United States will never consent.” But if the United States Government wants to devote any money to aid Western commerce, this work being completed, four millions of dollars more will give us a line of canal and river navigation from Kingston to the city of New York, and we can then send our propellers through, load them in the city of New York, and discharge them in Chicago, at an expense certainly not exceeding ten or eleven millions of dollars, including the work to which I have referred, (the Caughnawaga canal,) through Canadian soil, and the other work through American soil.

Now, Mr. President, we do not want to take business away from Buffalo; we do not want to take it away to the injury of the people of the State of New York; but we do want the best means of transit we can get. If the people of the State of New York are not willing to give us our dues in this regard, if they are not willing to enlarge their canals, in order to retain this business—they can do it if they will—but if we are obliged to appeal to the national treasury, I say let us get the best work we can, and not take the poorest for the money.

*Mr. DODGE is President of that company.

This line of work, to which I have alluded, is of vast interest to the people of New England, and it is of no less interest to the people of the city of New York than the Erie canal, because the line of communication is as short, and it is more desirable in every respect for the transportation of grain, than the Erie canal. It will afford to the people of New England facilities for communication with the West, such as they never have had; and if we are obliged, as I said before, to appeal to the treasury of the United States, we want the best means of transit we can get, and that is better than this.

Now, Mr. President, I do not wish to be understood as discouraging in any sense or in any degree the enlargement of the Erie canal, but I want it brought home to the people of this great State that it is for their interest, and I believe it can be so presented to them that they will see it is for their interest to enlarge it, and at once appropriate the money for that purpose.

I have alluded to some figures which indicate the amount of money the people of New York have received from this canal. That is but a tithe of the benefits and blessings which it has conferred upon them. I ask you what the city of New York was, as compared with other seaport cities, prior to the construction of this canal. It is a notorious fact that, previous to that time, the city of Philadelphia had a larger foreign commerce than the city of New York, and the foreign commerce of the city of Boston was nearly as large. These have dwindled into comparative insignificance, while New York city has become the metropolis of the nation. Why is this? Simply because she has had this line penetrating to the very heart of the country, and she has drawn to her bosom the commerce, the trade, the traffic and the wealth of the whole nation. Has not the State outside of the city been benefitted by this? Have not the taxes of the people of the interior of the State of New York been materially lessened by the enormous wealth of that great city? And, again, has not every foot of territory between here and the city of Albany, to say nothing of that which is more remote, been enhanced in value, been doubled, trebled, quadrupled in value, by reason of this canal? As my friend from Buffalo has said, the canal was the father of the railroads; it made the construction of railroads possible. That is true. Now, this canal having done what it has for the State of New York, will she be just—will she go on and do for us of the West, who, as I have shown, and as I presume every citizen of the State of New York will admit, have paid for that work,—will she not, I say, be just to us and to herself and come forward and do this work, which it is intimated it is desirable that the General Government should do?

Gentlemen, I very gratefully thank you for the kindness you have done me in listening to my extended remarks.

Mr. OPDYKE, of New York : I have listened with very great interest to the able and exhaustive speech of the gentleman from Chicago. While he has presented many very important truths, I am still constrained to feel that he has not presented the whole truth in regard to the Erie canal.

In the first place, I should say, that he and my friend from Buffalo, (Mr. HAZARD,) have both overestimated the profits of the canal system to this State. They reckoned the canal debt at ten millions. To that should be added, I think, the amount that the canal fund is indebted to the general fund of this State; I think the amount is eighteen millions, (not including the interest,) making twenty-eight millions of dollars; and if we add the interest for the time the canal fund has had the use of the general fund of the State, (the general fund being the taxation fund of the State, which the people have paid,) I suppose it would bring the aggregate up to forty millions of dollars to-day. While that is the result in regard to the whole canal system of the State, I admit that the Erie canal taken alone, will show a very different result. There is no question that that canal has netted a very handsome profit to the State. The gentleman from Chicago, (Mr. RANDOLPH,) says that the West has paid it.

Mr. RANDOLPH : I adopted Mr. HAZARD's statements in regard to that, in part.

Mr. OPDYKE : It is true that a very large portion of the toll that has been received for transportation on that canal has been paid by the producers of the West. You will notice, however, from the statistics of Mr. BENNETT, that in the early history of the canal, a very large percentage of the receipts was from the products of the State of New York. But I would ask my friend from Chicago, (Mr. RANDOLPH,) whether the people of the West who have paid these tolls, have not been benefitted, and that, in a far greater degree, than all portions of the State of New York, save the city of New York. The beneficiaries of the Erie canal have been the producers of the States to the west of us, using it to transport their products to the seaboard, and the city of New York. I readily admit that it has been a great boon to the city of New York, and has done much to increase its wealth and prosperity; but I maintain that it has been equally beneficial to the West.

Mr. RANDOLPH : I grant all you may claim in that respect.

Mr. OPDYKE : The producers of the West would never have sent their products over that canal, could they have got them to

market through any other channel, at a cheaper rate. Nay, more, they could scarcely have got them to market at all without it. It has added millions and millions, I think I might say hundreds of millions, to the wealth of the Western States, and it has done the same for the city of New York. But, Sir, as relates to the people in the agricultural districts of this State, I conceive that instead of having been a benefit to them it has brought a crushing burden upon them, so that their lands have scarcely increased in value at all, while those of the West have increased a thousand fold.

Now, as the gentleman from Chicago, (Mr. RANDOLPH,) has told you, that proposition, which he regards as not liberal at all, in the way of an effort to draw western transportation to the Erie canal, submitted at our last election, was voted down by a majority of about seventy thousand. The vote in the rural districts was almost unanimous against it. In the city of New York, in Brooklyn, in Buffalo, and, in fact, in all the commercial cities on the line, the majority was very largely in its favor.

Now, inasmuch as these canals can no longer be of utility to the farmers of this State, or the manufacturers off the lines, can we expect any better results from any effort we may make hereafter? Can we hope that any proposition looking to the enlargement of the Erie canal, at an expense of eight or ten millions of dollars, (which is the lowest estimate; others estimate the expense at double this sum)—can we expect, I say, that a majority of the voters of this State will vote for an amendment to the Constitution, (because the Constitution as it stands prohibits it,) which will enable the State to expend that amount of money, of which they must pay their proportion out of their own pockets, and from which they can get no benefit?

They constitute a vast majority in the State. If the voters of the commercial cities at each end and along the line, favored unanimously the proposition, they would be overwhelmingly out-voted by the people of the rural districts. Therefore, however strongly the cities of New York, or the mercantile interests of the State, in a wider sense, may desire the enlargement, they can never get permission from the voters of the State to make it. That being the case, it is futile for any one to ask that this State should go to work and make that enlargement. A majority of the people deem it not for their interest to do it, and therefore they will not do it. We are all governed by personal interest; it is one of the leading characteristics of human nature. We cannot change it if we would.

That being the difficulty, what shall be done? If the producers of the States west of New York, who have hitherto used this canal as a

channel of communication, desire to continue to use it, to have it enlarged, and to make it a ship canal free from tolls, let them join in asking of their own States or of the National Government, an appropriation to aid in that work. I have no doubt that the people of the State of New York would furnish a portion of the funds, but it is perfectly futile, as I said before, to expect them to furnish the whole.

For myself, I was honored with a seat in the Constitutional Convention in this State, a year or two ago, and in my view as to my duty, although a merchant of New York, I could not bring my mind to the conviction that it was for the interest of this State, taken as an unit, taken as a whole, to enter upon that enlargement at an enormous cost without any hope of receiving a proper remuneration for the money invested. Such was the opinion of the majority of that Convention, and the proposition was voted down. My views on that point were governed, in a large degree, by the conviction that the period of artificial water communication is almost passed. The improvements of railroads, their power of cheapening transportation, have been year by year taking from the canal product after product, beginning with the most valuable, and going down until to-day, it embraces, I believe, a large share, I was going to say, almost the whole of the cereal products of the West that reach Lake Erie. Every year, I think, will tend more and more strongly to increase the bulk of railway transportation, and to such an extent, that before long, for the tardy movement of the canals made necessary by the frequent lockages, there will be nothing left except coal, timber, and other heavy products of little value.

For these reasons, I shall vote in favor of the proposition before the Board, that the question be submitted to the Government of the United States, and recommended to its favorable consideration; because I am constrained to believe, that in my view of the comparative merits of canal and railroad transportation, I stand at present in a minority. I think that the majority of the members of this Board, I think the majority of our community believe, that where a canal communication is established, so important as that of the Erie canal, it is judicious to enlarge it and improve it, and make it a great artificial water highway. I am in favor of improving all natural waterways, and so voted at the meeting of this Board a year ago, and I am prepared to so vote again. Although I am constrained to believe that the tendency of a ship canal on the American side, around the falls of Niagara, would be to divert commerce from the city of New York, nevertheless, inasmuch as I believe it would be useful to commerce in general, I have voted for it in the Chamber of Commerce

in New York, I have voted for it in this body, and shall vote for it again. If that tendency be a strong one, I feel that the citizens of New York will know how to maintain themselves against any threatened diversion of trade from themselves. New York has one great advantage over all the other ports upon the seacoast, in the fact that more than seventy-five per cent. of the imports into the United States are brought thither, and pay a very heavy freightage which remunerates the ships for bringing the goods, even if they have to return in ballast; and of course the consequence is that grain and breadstuffs of all kinds can be carried at very much lower rates from there than from any other seaport. That attraction, and the large consumption in that city and its vicinity, make that port, and I believe always will make it, the best grain market on the Atlantic seaboard.

Mr. RANDOLPH, of Chicago: May I ask the gentleman one question? In view of what he has said, touching the importance of the Erie canal to the State of New York, and the profit its people have derived from it, does he believe that if the proposition were submitted to them to transfer this canal to the General Government, and lose all the profit they have heretofore received, they would approve it?

Mr. OPDYKE: I cannot say. I do not think they should. If they, under the far-seeing statesmanship of DEWITT CLINTON, constructed a work that greatly increased the wealth of this State giving it a large surplus fund, and thus diminishing the taxes of the people of the State, and in doing that, built up to magnificent, almost imperial proportions, their chief commercial city, conferring at the same time more or less wealth on the producers of the West, I do not think they are called upon to give up what they have made.

Mr. RANDOLPH: I do not ask that. Would they give up their hold upon the canals, as their property?

Mr. OPDYKE: I can only speak for myself. If by any means, furnished no matter from what source, that canal could be made a ship canal, and made perfectly free, I for one, should favor it, and I am inclined to believe that the majority of the people of this State would be ready to vote for a proposition to give away the canal, provided that that enlargement could be carried into effect, and the canal made a free channel of communication.

Mr. TURPIN, of Chicago: I rise to enter my dissent from the conclusions to which my colleague, (Mr. RANDOLPH) has arrived. From the facts and figures which he has presented to the Board this evening, he has demonstrated the paramount importance of this great

work; the absolute necessity there was for it to the great Northwest, and the advantages it possesses over every other route that has been devised; and yet because it is so valuable that the people of New York would probably not agree to part with it, he opposes any application to Congress in its behalf. Now, it seems to me, that at least, we, the representatives of the great city of the Northwest, should endeavor to promote this object. Let us supplicate Congress in the most earnest manner to undertake the work, and, before we attempt to drive the commerce of the great Northwest from its natural outlet, the port of New York, let us give them at least an opportunity to join hands with us in this matter. I certainly hope that the resolution will receive the cordial approbation of this Board, and I marvel that any one, with so clear a judgment as my colleague, should have come to a conclusion so antagonistic to his own facts and figures.

Mr. ALLEN, of Philadelphia: Two years ago in the National Board of Trade at Cincinnati, the gentleman from Buffalo, (Mr. HAZARD,) offered a preamble, and some resolutions on this very subject. The concluding resolution was in these words:

Resolved, That this Board will view the adoption of some settled policy, by the Legislature of the State of New York, having for its object, the enlargement of this great water highway, thereby cheapening and facilitating the movement of the products of the country, as evidence of a wise, liberal, and national statesmanship.

Mr. President: I must confess that I have listened to this debate with a great deal of interest—as much as to any debate we have had, but I really do not know how to vote on this resolution. I am in favor of all sorts of internal improvements, of subsidies by the General Government to railroads and steamships, and of everything that will benefit the country, and yet I hardly know how to vote upon this question. I hear the gentleman from New York, (Mr. ORDYKE,) assert that the agricultural portions of this State have suffered by the conveyance by the Erie canal, of the products of the West at a low rate; that is, the farmer of Illinois being able to send his wheat cheaply to tide-water, has come directly into competition with the wheat-growers of this State, who consequently have been obliged to sell their products at a very low rate.

Now, is it wise for the people of the great cities of this State, Buffalo and New York, who hope and expect to be benefitted by the enlargement of this canal, to ask either the National Government, or other State Governments, to aid a work which is so detrimental to the

people of their own State? There is one point. This is a question which we have had up here in various forms. The National Government throws its protecting arms around the whole country, from the Atlantic to the Pacific, from the Gulf to the St. Lawrence; while at the same time the people of these States have their rights, they are to look after their own interests; and yet, here is a proposition brought in by the representatives of this great city of Buffalo, which the member from the city of New York, (Mr. OPDYKE,) tells us he voted against in the Convention which formed the new State Constitution, for the reason that he believed it would be injurious to the interests of the State as a whole. I must confess, I do not know how to vote on this proposition, and yet I am in favor, as I said, of appropriations by the General Government for all roads and all enterprises that will benefit the people of this whole country. It occurs to me, therefore, that the only thing I can do, is to move as a substitute for this proposition, the resolution which Mr. HAZARD offered in Cincinnati two years ago.

Mr. GUTHRIE, of Chicago: I seconded that resolution at that time, and I recollect making this remark: "I second this resolution with the greatest pleasure, for it is the only thing I have heard mentioned before this Board, for the past six or eight hours, that did not involve a proposition to draw upon the pocket of Uncle SAM:" I hope that this discussion will be continued. I would like to hear more upon the question, and I move that the Board now adjourn to meet on Monday morning at nine o'clock.

This motion was carried, and the Board adjourned.

FIFTH DAY.

MONDAY, DECEMBER 12, 1870.

The Board met at nine o'clock, and prayer was offered by the President; the reading of the journal of Saturday was dispensed with.

REPORTS OF COMMITTEES.

Mr. STANARD, of St. Louis, presented a report from the Committee on the Ocean Postal Service, and Mr. COOK, of Cincinnati, from the Committee on Railway Bridges across navigable rivers.

The Board refused to enter upon the consideration of these subjects until the pending business was disposed of.

The Board resumed the consideration of article XX of the programme relating to canal transportation.

Mr. HAZARD, of Buffalo: I did not intend to occupy the time of the Board any further, but I feel compelled to allude briefly to a few points made by the gentleman from Chicago, (Mr. RANDOLPH,) on Saturday evening, who then almost overwhelmed me with statistical statements of the vast sums of money derived from tolls on the canals of the State of New York. It is true that the State has received a large amount from her canals, but on the other hand, the expenditures and debt incurred in their construction have been enormous; many millions of which have never been repaid from the income of these works. The canal system of this State, as Mr. RANDOLPH remarked, embraces about nine hundred miles, of which the "Erie," the main trunk, proved a great success; its revenues for several years after its completion, being derived almost exclusively from local traffic, induced the construction of other canals as branches or feeders, in the expectation that they would prove equally productive; but nearly all proved financial failures, entailing heavy expen-

ditures and largely absorbing the revenues. As there could be no divorce of one from the others, the revenues of the "Erie" have been applied to keep in order, and make good the deficiencies of the other canals.

The State of New York is still largely indebted for her canals, and although the official statements show the amount to be some ten millions, the gentleman from New York, (Mr. OPDYKE,) has stated what is much nearer the fact, that the amount, including taxation, which has been levied on the people, from time to time, will show that about forty millions of dollars more have been expended on these works than they have returned to the State.

Mr. RANDOLPH: May I interrupt Mr. HAZARD upon that point: I did not allude to it on Saturday evening. Mr. OPDYKE stated that there were about eighteen millions drawn from the general fund. On looking over the figures which I gave, it will be observed that I took out fifteen millions which had been raised by taxation, and deducted it from the surplus.

Mr. HAZARD: Mr. OPDYKE is much better informed than I am in regard to the actual deficiency, and I have no doubt he is correct in his estimate.

The gentleman from Chicago did not, I presume, intend to express himself in favor of the enlargement of the Erie canal, but I think his argument, as a whole, was most conclusive in regard to the great importance of such a work to the West, as he fully agreed with me in its effect in cheapening transportation on the great products of the country. He would, however, be willing to consent to the enlargement, provided the people of the State of New York, who are already out of pocket, according to Mr. OPDYKE's estimate, forty millions, would again tax themselves some seven or eight millions more, not for their own benefit, but to enhance the value of the products of other States. It would be a most patriotic undertaking, I admit, and, as a matter of State pride, I would like to see it done, but the people who live in the rural districts, and vote as well as pay taxes, will never consent to levy a tax upon their property for the improvement of this canal.

The State tolls on agricultural products and many other articles passing through the canals of this State were reduced last May nearly fifty per cent., but the commerce of the country requires not only low tolls, but *cheap freight*. If the tolls were reduced to a merely nominal rate, it would reduce just in proportion the total cost of sending property through the canal, but it would not cheapen the freight

or compensation which the canal boat must have. The present class of boats carry about seven thousand five hundred bushels of wheat at a compensation of eight to ten cents (over toll) a bushel from Buffalo to New York. With enlarged locks adapted to boats of six hundred and fifty tons, the cargo could be increased to twenty thousand bushels, and, with steam-power, could be carried at one-half this price, and the trip made in about half the time. I submit to the good sense of this Board whether such a result would be of any advantage to the country, East as well as West.

Mr. RANDOLPH says that great frauds have been committed in obtaining appropriations for public works, and he is afraid a measure of this kind would develop other projects perhaps of less importance. This is quite possible. But if they are national in their character, such as the improvement of rivers, and opening commercial avenues for the products and traffic of many States, or groups of States, in their intercourse with each other, I think the Government cannot make a better use of its money than to aid such undertakings, even to the building of a great canal across the Alleghanies, although it might be considered slightly against the interests of Buffalo; or if the gentleman should think best to ask the Government to enlarge the Illinois and Michigan canal from Chicago, in connection with the enlargement of the Illinois river, now in progress, to complete the chain of water communication between the Mississippi and the Atlantic, I should consider it very justly entitled to the favorable consideration of the Government as a work of national importance. There can be no important public improvement in our commercial highways which will not favorably affect all cities, communities and States, however remote they may be from each other.

Mr. WEST, of Milwaukie: I am one of those who are strongly in favor of national improvements. I believe it is much better to spend an hundred millions of dollars in national internal improvements, than it is to spend one million in war, or preparations for war. While one of our great military statesmen, who, some time ago, escaped from his "glass bottle" prison on James river, is now trying to arouse our people to an attitude of hostility against a foreign power, it seems to me to be a peculiarly fitting time for us to be advocating these great national peace-measures—measures which tend to unite us in bonds of peace, and also to consolidate our strength in the event of war. I believe this to be a national question. It is claimed by some that it is local. Sir, if whatever interests directly every inhabitant of at least fifteen States, and indirectly every inhabitant of all the other States is local, then this is a local

question. If whatever tends to connect together ocean navigation, with the great inland lakes, on the waters of which more than two thousand vessels are floating, is local, then this is a local question. If a route over which the food for nearly half this continent, and also the food for a large share of another continent passes, is local, then this is a local question. But, Sir, if these three combined make a national question, then this is a national question, and is worthy of the consideration of this National Board of Trade.

The Government, as has been remarked here, has spent millions for the improvement and defense of our coast harbors, and still other millions for the improvement of our lake harbors. No one will deny that that money has been wisely spent, and it is just as evident to me that it would be equally an act of wisdom now for the Government to open communication between these two systems of navigation, inland and oceanic, so that they may be fully utilized, as they cannot be in the present state of things.

I was greatly surprised and somewhat mortified at the position taken by the very able and eloquent representative of Chicago, (Mr. RANDOLPH,) a city that has been as deeply interested in this matter as any other, unless, perhaps, it be the city of New York; and I was glad to see from the remarks of another gentleman from that city, (Mr. TURPIN,) that the delegation were not all of his opinion. I cannot account for the position taken by the gentleman, unless his sympathies have been enlisted, thereby warping his judgment, in favor of another route through a foreign dominion, as he says, which may possibly come into competition with this route, and, of which enterprise, I understand some very influential gentlemen in Chicago are directors. To me, Sir, as an American, the idea of transporting our inland commerce through a foreign territory is very distasteful and humiliating, and I would not resort to it until I had exhausted every means of obtaining what we should have through our own territory.

Much has been very justly said by members of this Board as to the fearful monopolies now so rapidly growing up in this country,—monopolies, the shadow of which is already extending across the continent. They have already assumed such immense proportions, that there seems to be no way in which their influence can be counteracted, but for the Government to step in with its strong arm, and raise up a competing power to hold them in check. If the Government will open free communication from tide-water to these lakes, it will help to hold in check these great railroad monopolies. But, Sir, perhaps the learned and eloquent gentleman from Boston, (Mr. ROPES,) would say that this would be a Government monopoly. I was very much at fault to

understand what the gentleman could mean, when he spoke on Saturday of a Government monopoly of money. I understand this Government to be formed by the people—the whole people of the United States. If the Government is a monopoly, it is one in which every man, woman and child in this country is directly interested.

Mr. ROPES, of Boston : If the subject of the currency is before the House, the gentleman will, I am sure, allow me to explain, that I never said anything of the kind he imputes to me. I did not say the Government had a monopoly of money, but that it had a monopoly of circulating credit. (Applause.)

Mr. WEST : I would inquire what kind of monopoly that is, by the side of the present national bank monopoly—a monopoly in the interest of which two million dollars can be raised on a day's notice, to corrupt our national legislators, and to prevent such legislation as might tend to loosen its grip upon the money of this country? The monopoly described by the gentleman from Boston, in which every inhabitant of this country is equally interested, it strikes me is the very essence of republicanism, the very highest form of republican Government ; but, Sir, a monopoly, composed of rings of individuals, is the very lowest sort of despotism. The despotism of barbarians is usually accompanied by some sort of generosity and chivalry. The despotism of these monopolies culminates in the miser's grip, without either conscience or soul.

One word as to the pecuniary bearing and necessity of this enterprise. If there is any one thing that is well determined in the mind of every man in the West, it is, that we must have, not only cheaper, but more rapid means of communication—the latter point being fully as essential as the former. What was sufficient thirty years ago to meet the wants of this country, is now entirely inadequate. Thirty years ago the Erie canal was a great institution, fully up to, or ahead of, the times. Since then the whole trade of the country has been so revolutionized, by lightning and steam, that the Erie canal is found to be altogether too contracted and too slow. It still drags its heavy burden along, as it did thirty years ago, at the rate of a mile and a half an hour. What we want and must have, is some kind of a channel from the Mississippi to the great lakes, in which we can float a propeller, carrying eighteen or twenty thousand bushels of grain, which can plow its way directly through to New York city, at the rate of at least five or six miles an hour, and without any hindrance or transshipment on the way. I am not prepared to say what the best route is for that line of communication ; it may be through the

entire length of the Erie canal, from Buffalo to Albany ; it may possibly be by the Niagara ship canal to Lake Ontario, and from Oswego to Albany. That is a question upon which I am not prepared to express an opinion.

I cannot agree either with the gentleman from New York, (Mr. OPDYKE,) who seems to take the position in arguing this question, that railroads are to be such cheap and available means of transportation, that water routes cannot even compete with them. What are the facts where water routes and railroad routes *pro rate* on through freight? The Northern Transportation Company on our lakes, now takes grain from Chicago to Ogdensburgh, a distance of about sixteen hundred miles, and the railroads take it from there to Boston, a distance of about four hundred miles ; one carrying it about four miles to the other's one. They divide the receipts equally. They consider that an equitable arrangement, and neither party finds any fault with it. That shows at once the superior advantage of cheap water navigation over railroad transportation.

Mr. President, while I admit all the gentleman from Chicago (Mr. RANDOLPH,) said about the enormous amounts of tolls that we have in years past paid to the Erie canal, I cannot keep from my mind the fact, that it was because of the existence of that canal that we had our commerce to transport, and that we had the ability to pay those tolls. But while I am perfectly willing that the State of New York should keep all that its industry and enterprise entitle it to keep, I think it has been already sufficiently remunerated in that way, and I am opposed to its further sitting at the gateway of the commerce of our country, to levy toll thereupon. I am opposed to our being placed in a situation where a few men in the State of New York can, on any day they see fit, change the values of our inland products, three, four, or five cents a bushel, by putting the tolls up or down on the Erie canal. The Government has already commenced, as the gentleman from California, (Mr. SNEATH,) would say, at the back door of this question, by building the Fox and Wisconsin rivers ship canal, connecting the lakes with the Mississippi river. I would rather it would begin at the tail end than not begin anywhere, but it would have been the part of wisdom to commence at the other end of the route, and build westwardly so that it could fully utilize the work as fast as it was completed. The gentleman from Chicago, (Mr. RANDOLPH,) was very much aggrieved at the action of this Board last year, in passing favorably upon the proposition in reference to the James river and Kanawha canal, which he said "commenced nowhere and ended nowhere." I think the gentlemen who reside on the Ohio

river will feel gratified to learn that they live "nowhere." I appreciate the magnificence of the great city of Chicago as much as any man can, who does not reside there, but I also remember that the Ohio river was created, and its shores, perhaps, were settled before Chicago was thought of. It was news to me, also, Mr. President, that the city of Richmond, a place that this whole nation spent five years in trying to reach, a place that cost us three thousand millions of dollars, and a million of lives to reach, was "nowhere." If the question of endorsing the Kanawha canal were now up I would vote for it to-day. There may be some insuperable difficulties that might cause me to change my mind, were I advised of them, but my opinion is, that these great national routes are the very things that unionize our whole country; and had we spent a hundred millions of dollars on such improvements, previously to ten years ago, it would have saved us the spending of a thousand millions afterwards, and would have bound the country together by those ties of interest which never can be disrupted.

I do not desire to say more than two additional words. I thank the gentlemen, however, for their courtesy. I look upon this matter of transportation in another light. I look upon it in the light of protection. In the light in which I look upon it, I am a protectionist. It is not like some other systems of protection that we have, which send out their emissaries to collect taxes from one portion of the community to be put into the pockets of another portion; but it is a system which brings the manufacturer and the consumer together. It protects the consumer by lessening the cost of the manufactured article, thereby greatly increasing his ability to consume the same, and so directly benefitting and protecting the manufacturer. In spending our money for an object of this kind I desire to have something tangible. I am not opposed to taxation, not even to excessive taxation, if we can see where we are getting any benefit, and can know that we are getting our money's worth. But this system of taxation which seems to be scraping the money together without any definite object, I am opposed to. There seems to be a perfect mania for tax gathering in this country, without any intelligent object in view.

Mr. SHRYOCK, of St. Louis: I regard this as a national measure, and not a local one. The people of Iowa, Wisconsin and Illinois, are as much interested in it as the city of New York. It is for the reason that this canal has furnished cheap transportation to the seaboard of the East, that those people have been able to spread out their farms all over that country, and have become rich in their agricultural productions, especially in wheat. The seaboard market

is the great market. This project, as you well know, if carried out is directly against the interest of St. Louis, but still, as it is a national measure, I am in favor of it. It would be, as strong a competitor as could be established against our water line ; still, I desire not to take any narrow view. If it is the duty of the Government to clear the rapids of the Mississippi, from Keokuk to Fort Madison, it is also its duty to furnish cheap transportation through the Erie canal, for parties who desire to ship in that direction, instead of by the Mississippi river.

MR. RANDOLPH: Allow me to say one word in reply to a remark of my colleague, Mr. TURPIN. If any gentleman can construe what I said as opposed to the enlargement of the Erie canal, he can place a construction upon the English language, which I am not capable of doing. I am not opposed to it, and while I think the difficulty is mainly with the people of New York, who will not give their consent to this measure, I should be in favor of any resolutions which would not look to the West for the payment of this debt of the State of New York.

MR. GRUBB, of Philadelphia: I propose that we insert the words, "on the resumption of specie payments." I am in favor of this improvement, but I want the country to go into it on the basis of exact values.

MR. SEALY, of Newark: I favor the resolutions emanating from the Buffalo Board of Trade. I believe they are founded in good sense, and point in the right direction.

THE PRESIDENT: I do not think Mr. GRUBB's proposition is now in order, it being an amendment to a substitute. If the substitute is rejected, Mr. GRUBB may move his proposition as an amendment to Mr. HAZARD's resolutions, or, as a substitute for the whole.

MR. ROPES, of Boston: I am neither surprised nor mortified at any member of this Board expressing his views freely and honestly. I think that is the only way in which we can arrive at correct conclusions. But I think we must all agree that the only principle which we can recognize in this Board, and which we can justify to our constituents, or to the people in general, is this: That everything we advocate to be done by the nation, shall be of a distinctly national character, and under national control. I do not think that three private jobs make one public job. If Massachusetts has one scheme, New York another, and Illinois, Iowa or Minnesota another, and they all agree to press their respective claims in the way I find described in an editorial on

"advancing private ends at public expense," which appears in the *Buffalo Daily Courier*, of this morning, which says: "The plan of these conspirators—not a novel one, by any means, but as old as it is apt to be effective—is to combine the influence of all these varied schemes, so as to secure if possible, the passage of each;"—I do not think, I say, that the union of these three schemes makes a national enterprise. Suppose five of our delegations managed to do that, there would still be thirty States that would get no benefit at all. I do not think we could justify that from a national point of view; I think we must all agree that if the National Government does anything for the benefit of any highway, or any other great national object, it must have the control of that which it takes hold of. I was very much interested in the fact brought out on Saturday, that this canal, which was at first a mere local convenience to the State of New York, a method of building up the wealth of New York, is now a great national highway, the proportion of through freight being, beyond comparison, greater than the local freight, which formerly was much the larger of the two. It is evidently an important national object. I do not see why the General Government should not promote and take charge of a great national thoroughfare in New York, as well as in other States where it has done this; but there is this great difference; if the National Government removes the rocks and deepens the channel of the Mississippi river, for instance, it has entire control over that thoroughfare. The National Government has expended a great deal on improvements, in the harbors of Boston, New York, and other cities, but the National Government has exclusive control over those harbors. The States have lost their control, and have no power to interfere, or levy taxes, or interpose obstacles. Should that same principle be carried out here, should the State of New York say, "We are not competent, or not willing, to enlarge the canal as it should be enlarged, for the benefit of the general public, but we will cede it to the General Government, and surrender all revenue from it," then let the Government accept it, and expend as much money as the people think proper, for the improvement of this great national highway.

Mr. GANO, of Cincinnati: What I may think about the manner of conducting such works of improvement is a matter of very small consequence, but I want to have an opportunity to express my views in reference to the propriety of the General Government's undertaking works of this kind, and how it should be done. When it may be determined that works are national in their character, (and I should understand them to be so when they answer the demand of a

large section of country,) it seems to me quite as proper that the General Government should undertake them as the State in which they may happen to be located; I believe it has been demonstrated by the gentleman from Buffalo, (Mr. HAZARD,) that the commerce of the Erie canal between the East and the West, is very much larger than that supplied by the State of New York. It is to my mind, aside from any demonstration of that kind, clearly apparent, that such a work may be national in its character; and when a work is determined to be so, I cannot consent that the control and management of it shall be in the hands of a corporation, to whose benefit the advantages may enure, or in the hands of the State in which it may be located; it should be held by the General Government, for the benefit of the whole country, consequently, in that view of the case, I do not see that either proposition before us now is such as I can vote for, but I would embody the same provisions in reference to this work, that were presented in connection with the proposition in regard to the James river and Kanawha canal at Richmond, last winter. I will refer the delegates to page 210 of the proceedings at Richmond.

If the resolutions should be adopted as I would amend them, it would not be necessary to change the sense at all, but the phraseology only of the gentleman from Buffalo, (Mr. HAZARD.) I would propose the following:

Resolved, That the enlargement of the water-ways through the State of New York, so as better to adapt them to the great commerce that requires them as means of cheap transportation between the seaboard and the interior of the country, would be a work of national character and importance.

Resolved, That as a condition precedent to the undertaking of such work by the General Government, they shall by proper legislation on the part of the State of New York, be divested of all individual and State ownership and control, and their management be vested in trustees, one of whom shall be appointed in such a way as shall be determined to be practicable, by each of the States of Massachusetts, New York, Ohio, Michigan, Indiana, Illinois and Wisconsin, and one by the President of the United States.

Resolved, That when the cost of the completion of such works by the General Government shall have been reimbursed by tolls on them, the tonnage thereon shall be subjected only to such tolls as may be necessary to keep the works in navigable condition and repair.

In other words, the canal shall then be a free highway to the country, subject only to the tolls necessary to keep the work in repair.

Mr. STRANAHAN, of New York: Much has been said for the Northwest, and for the West, a little for the South to be sure, and a good deal for Buffalo, but hardly a word for the State of New York. I now propose to say one word for that State, and but a word.

The Erie canal was finished in 1825, at an expense of some eight millions of dollars. It was, in those days, a great undertaking. There were many risks attending it, but success followed the efforts of our great CLINTON, and the other great and noble men of this State, and ten years thereafter, an enlargement of the canal was deemed necessary, and measures were taken to that end; for, after some four or five years, freight made its appearance from the West. For the first few years after the completion of the canal, the surplus products of Ohio found a market down the Mississippi, and in the then territory of Michigan, which was fast being settled. Thirteen years after the completion of the Erie canal, the Legislature of the State of New York resolved upon a more speedy and a more complete enlargement of the canal. That enlargement, Sir, is but just now substantially done at an expense of some forty millions of dollars. Eighteen millions of the cost of our canals—the enlargement and original construction—have been paid by taxation. Other millions have been paid out of the net earnings of the canals.

There now remains ten millions of canal debt, and by the provision of our Constitution, that ten millions of canal debt must be paid in six years, by taxes, or by the net revenue from the canals. Now, Sir, at the end of six years, this question will arise,—a highly practical question,—Shall the Erie canal be enlarged out of its net earnings, or shall the tolls on the Erie canal be reduced to the point of keeping it in repair, and the canal navigated as it now is, by boats of two hundred and fifty tons?

I will only add, Sir, that the State of New York is not a beggar before this body, or any other, but it is now, as it has been, and as it will be, in regard to these canals, a benefactor. I move you, in conclusion, that this whole subject (for I wish no hasty action) be referred to the Executive Council, to report at the next annual meeting of the Board.

This motion was agreed to.

XXI. THE NORTHERN WATER LINE.

Resolved, That Congress be requested to prosecute the work which it has inaugurated in the Wisconsin and Fox river route, between the Mississippi river and Lake Michigan, as speedily and as vigorously as can be done with advantage, safety and success.

Resolved, That Congress be requested, during the approaching session, to make such an appropriation, or extend such aid and assistance to the effort now being made to open a canal around the Falls of Niagara, as shall ensure the completion of the whole work with the least possible delay.

Resolved, That Congress should grant the right of way, where it has the power to do so, and afford such other facilities as may be necessary to encourage and stimulate the speedy construction of all parts of the work on the proposed through water line, from the Mississippi river to the Atlantic ocean.

The SECRETARY : I am requested to say, that it is the wish of the Dubuque Board of Trade, that the consideration of this proposition be postponed.

Mr. TAYLOR, of Cincinnati: I move that it be postponed, and continued on the programme for the next session of this Board.

Carried.

On motion of Mr. COOK, of Cincinnati, it was voted to proceed to the consideration of the report of the Committee on propositions XXII, XXIII, XXIV.

IMPROVEMENT OF RIVER NAVIGATION AND RAILWAY BRIDGES.

WHEREAS, The free and unrestricted navigation of the rivers of the country is the right of all its citizens, and is indispensable to the cheap transportation of its varied products ; therefore

Resolved, That Congress be again requested to make such appropriations as may be necessary for the early completion of the work now in progress, under the direction and supervision of United States engineers, at the Des Moines and Rock Island Rapids, at the Falls of the Ohio, and at the mouths of the Mississippi ; and for the maintenance of the snag boats owned by the Government and employed on the Western and Southern rivers.

Resolved, That Congress be requested to enact such laws as will effectually prevent individuals or corporations from unnecessarily

obstructing or endangering the navigation of the rivers by bridging or otherwise; that where bridges for the use of railroads, or for any other purpose, are built over these rivers, they shall be constructed with a proper regard for the interests and necessities of the navigation thereof, and that the piers of all such bridges shall be located under the direction and supervision of an United States engineer or a corps of engineers, to be selected by the Secretary of War.

Resolved, That all railway bridges across navigable waters should be regarded and treated in legislation as public highways for railway transit; that each of them should be made to accommodate the cars and transportation machinery of any and all railroads or transportation companies that may desire to use them, on the payment of fair and reasonable tolls; and that future grants of charters for the construction of such bridges, and existing charters for those already built, or to be built, should by requisite legislation, both State and national, embody provisions to secure the object above set forth.

Resolved, That the Executive Council be directed to take such steps as may be necessary to make effective the principles embodied in these propositions.

On motion of Mr. KIRKLAND, it was voted that the resolutions be taken up separately.

The first resolution was then adopted.

The second resolution was also adopted.

Mr. KIRKLAND, of Baltimore: *Mr. President*,—In asking a division of these resolutions, so that each might be voted upon separately, I had in view opposition to the third; such a resolution, if acted upon by Congress, as recommended, would clearly be, *ex post facto*! We have heard a great deal about capital, and labor, and of the rights of citizens; but capital has rights which in all law abiding countries, are recognized. It is well known, that there are many railroad companies who have found it necessary for the transaction of their business; (business large, commanding, and of vital interest to the country,) to construct bridges across navigable rivers. Railroads certainly have done as much, or more than canals, to reduce freights; to enhance the value of western productions; and to supply the people of the West with articles of necessity from other countries, at low rates. Railroads have been, probably, a greater blessing to our country than rivers. They are open at all seasons; they are never absolutely obstructed; they are swift communicators.

Railroads, as a general thing, though called monopolies, have carried their freights at very low rates. Many of them have invested very large sums of money in bridges, which were necessary for their fast growing business. Are we to ask Congress to authorize a place like Marietta, for instance, to build a local railroad to Parkersburgh and then force the Baltimore and Ohio railroad to give them the right to cross their bridge, which they have constructed at an expense of a million of dollars, and which has only a single track? They are building another bridge at Benwood, which will cost a million of dollars; both legally constructed under an act of Congress, with wider spans than the law requires. Will any body claim that it would be just, to allow some petty local company or rival competing road to come in and say to the Baltimore and Ohio railroad, "Stand aside with your heavy trains and wait for us. We have a train coming, and we are authorized to cross."

What would be said if Congress should legislate to grant to any citizen of the United States, the right to occupy with fair compensation, my house that I had constructed for my own business? What would be thought of the proposition to ask Congress to enact, that any ship might come to your wharf, and put a cargo into your warehouse, which you had constructed for your own special requirements? Is such a thing possible? Can we go to Congress and ask it to legislate, as against vested rights?

The second resolution, which provides for a supervision of such bridges by an United States engineer or corps of engineers, it seems to me meets all the requirements of the case.

The gentleman from Cincinnati, (Mr. Cook,) says, that if you allow every railroad to build a bridge, there will be five or six at Cincinnati, and as many more at St. Louis; and they will interfere with the river interest. Not necessarily so.

The people of St. Louis are now looking forward to the completion of their bridge, as accomplishing what will probably do more to facilitate the business of that city than anything else that could have been done. How would they regard the passage of a law by Congress, that after they had constructed this bridge, at vast expense, any railroad corporation of another city should have access in violation of their conferred and vested rights to that bridge, and have the right to say to their roads, "Get out of the way! Stop your trains, and let us pass." Is it not plain and palpable, that if Congress had the power to pass such a law, it would be an interference with the vested rights of capital? And is not the interest which the gentleman from Cincinnati, (Mr. Cook,) wishes to protect, sufficiently

protected under that clause of the second resolution, to which I have referred? These engineers are supposed to be competent men, and they would adjust these vital interests in such a way as to afford all the protection necessary.

I think that the people who live on the seacoast, or at the head of rivers, appreciate the value of rivers fully as much as any one at the West. The growing *village* of Baltimore is on a river, and we should dislike to have any railroad company bridge that river in such a way as to interfere with the access to it. It is *imperative* that the Government should see that these channels of approach to various cities and towns should not be *unnecessarily* obstructed. I believe that I appreciate the value of those rivers, as much as the gentlemen from the West; but I say that the vested rights of capital cannot be interfered with by *ex post facto* legislation; and therefore I oppose this resolution, and shall vote against it.

The bridges which are being built by the Baltimore and Ohio railroad, at an expense of two millions of dollars, have single tracks, ample with their own arrangement of their time tables for their own business. But to allow any road or roads that may hereafter be built to use them, upon the payment of toll, would seriously interfere with their trains, which one track is sufficient to accommodate; and I do not see, therefore, aside from the question of *ex post facto* legislation, the justice or propriety of allowing any railroad, short or long, to interfere with the rights of any corporation which has built a structure sufficient only for its own business.

Mr. ROPES, of Boston: This resolution does not contemplate *ex post facto* legislation. If it did, the Constitution of the United States and the Supreme Court would provide a remedy for it. But I wish to call attention to the fact that my friend from Baltimore, (Mr. KIRKLAND,) has not brought forward a very correct analogy in the case of a warehouse. There is plenty of building room in our large cities for as many warehouses as are wanted, and if I have a warehouse, nobody can compel me to allow him the use of that warehouse, unless I choose to do so. But, to use an expression which is not quite agreeable in the ears of some of our friends, a railroad bridge is a *quasi* monopoly. It is so difficult to bridge a navigable river in such a manner as not to interfere with navigation, that, when such a bridge is constructed, it exhausts, in many instances, all the possibilities of the case; that is to say, if you build two such bridges, you not only incur an enormous expense, but double the inconvenience to navigation which is caused by one bridge; while by building single bridges with reference to all possible railroad demands,

you can easily so build them as to supply all connecting railroads with sufficient means of transit.

I do not wish to interfere with what the Baltimore and Ohio railroad have a right to enjoy, the benefit of their great expenditure, and their noble enterprise, and there are other railroads which I think deserve a great deal of credit for setting a noble example, by building expensive bridges, in order not to interfere with navigation ; but I think we ought to understand that all those bridges partake of the nature of monopolies, which should be made tributary to the public welfare, and no railroad should be allowed to incur such an enormous expense, taking, as it were, a mortgage upon all the traffic going up and down a river, and then turn round and refuse accommodation to other railroad companies. I think that such things, from the very nature of the case, should be adjusted on a much broader basis. If I were a director of a railroad which proposed to bridge any large navigable river, I should propose so to construct the bridge, that the expense and the benefits to be derived from it, might be shared by all the other railroads which could possibly get any benefit from it, thereby not injuring but benefitting one another.

The city of Boston is almost surrounded by water, and every new bridge is a positive inconvenience to the interests of Boston harbor ; therefore they are constrained as far as possible, by legislation, to make one such structure answer as many uses as possible. That is the true principle upon which all these enterprises should be conducted. I do not believe the resolution will interfere with vested rights, or tend to the making of any *ex post facto* law. If it does, as I said before, there is a remedy in the Supreme Court. I think this great principle should be recognized. I do not think the statement of it in the resolution is any too broad, or any too strong. I am very happy to unite on this point with the gentlemen on the other side, whose approbation I have not been so fortunate, in most cases, as to secure. I maintain that all monopolies are odious and unwarrantable, and that every monopoly should, if possible, be avoided, or, if absolutely necessary, should be so adjusted as to fall with the least possible burden upon those who suffer by it.

Mr. RANDOLPH : As I glanced over this programme, this proposition struck me as one that ought to receive the unanimous endorsement of this body. I agree with the gentleman from Boston, (Mr. ROPES,) that it is not too broad. I do not think it could be construed as asking Congress to pass an *ex post facto* law. I do not believe that the property of these railroad companies should stand before the law in any other light than that of individuals. If the

public necessities, or the public exigencies demand it, I believe that the time is coming when the people will say that they will take the whole of this property, if necessary, for public uses. Now, to illustrate the working of this thing. There is that beautiful bridge crossing the river below the Falls of Niagara. Two railroads have been accustomed to use it—the New York Central and the Great Western of Canada. It was thought advisable a short time since, that the Erie railroad should make the same connections with it that the New York Central had. The Bridge Company were agreed, and the Great Western was anxious; but the New York Central Company spread out their tracks in every direction, so that the Erie railroad could not get to it. That is what we of the West and the people of the whole country want stopped.

Mr. THOMPSON, of Baltimore: I have very little to say in favor of railroad bridges, but yet I want to say just one word. The Baltimore and Ohio railroad charges for transporting freight three hundred and eighty-three miles, twenty cents a hundred pounds. At the city of Louisville the charge is eight cents a hundred pounds for transportation across the Ohio river—one mile.

I shall oppose this resolution, because it centralizes power in Congress. If this is a necessity, as my friend from Chicago, (Mr. RANDOLPH,) has said, the people will demand it, and the people will get their rights.

Mr. COOK, of Cincinnati: I desire to reply briefly to some of the objections made to this proposition by my friend from Baltimore, (Mr. KIRKLAND,) and, in doing so, will refer specially to what he has said with reference to the two bridges of the Baltimore and Ohio railroad, at Bellaire and Parkersburgh.

I do not fail to admire, and appreciate the energy and wisdom displayed by the management of this great corporation, as exhibited in the construction of these two splendid bridges, for the passage of its trains over the Ohio river. I cannot, however, overlook the fact that these great works of so much value to the railroad, whose property they are, have been accomplished at a large cost to another interest of equal,—nay, greater importance to the country,—the navigation interest. It cannot be denied that the piers located in the river, for the support of these structures, have not very materially added to the danger and cost of navigation at these points. Already both lives and property have been lost by collision with these piers; and each succeeding year will but add to the grand aggregate of destruction. No matter with how great care and skill the navigator manages his vessel, these losses will at times occur.

High winds, increased and changing currents occasioned by the piers, and the rise and fall of water, cannot always be overcome by the greatest amount of skill in the pilot, and the minutest watchfulness of the master of the vessel. No bridge with piers in the channel of the river,—and it seems difficult to build a suitable railroad bridge without these piers,—can be constructed, which will not add to the dangers, delays, and cost of navigation. Hence, the importance of having as few of them as possible.

Now, Mr. President, the time may come when other railroads will centre at Bellaire and Parkersburgh, and they also may want to cross the river with their trains. Why should they not cross on the Baltimore and Ohio railroad bridges on the payment of fair and reasonable tolls? Certainly the capacity of a bridge, such as these are, is equal to the requirements of many roads; and if this be so, there is neither sense nor justice in multiplying these bridge obstructions in the channel of the river. By making all such bridges public highways for the use of all roads that want to use them, the cost of the bridge is lessened to the railroads, and the public interest subserved, in the preservation of the free navigation of the river.

Permit me, Mr. President, to direct attention to Cincinnati and St. Louis where railroad bridges are now building, and to Louisville where one has recently been completed.

One railroad bridge, or two at most, over the Ohio at Cincinnati, could be made to accommodate all the roads centering at that city. And yet, if bridge companies are permitted selfishly to limit the use of their bridges to a single railroad, we may be compelled in the course of time to have in the harbor of Cincinnati a dozen bridges, which will be a practical destruction of the navigation there.

So at St. Louis. The magnificent bridge now being built across the Mississippi at that point, at a cost of some four or five million dollars, will have capacity for all the railroads that will ever want a crossing there. Then why obstruct the river with other bridge piers?

At Louisville, the railroad bridge across the Falls, occupying about the only site for a bridge there, has recently been completed. Its capacity is equal to twenty railroads, and yet it is used by only two roads which connect by means of this bridge. I am informed that other roads desire to use it, and have offered to pay liberal tolls, and yet are denied.

Is such a policy wise? Is it in the interest of the people who have conferred liberal grants and privileges on the railroads? Is it in the interest of the stockholders of the roads themselves? I answer no. Then let us, so far as we have the power, do what we may to abolish this miserable, narrow-minded policy.

Before closing my remarks I wish to say a word about the Ohio river, for I think I know something about that little stream of water. I was pained on Saturday evening to hear the remark of the intelligent gentleman from Chicago, (Mr. RANDOLPH,) who said that the Ohio river was dried up for three months of the year, and frozen up for four months.

Mr. RANDOLPH : I referred to the upper part of the river, where it is proposed that the canal shall go.

Mr. COOK : The fact, Sir, is, that we always have good navigation south, from Cincinnati by this river. I do not know of ten days, in as many years, when navigation has been stopped, either by ice or low water.

There are times and seasons when the upper end of this river, by reason of ice or low water, cannot be navigated. But the time is not long in any one year.

Why, Sir, you cannot overestimate the value to the people of the western and southern States, of the Ohio and Mississippi rivers and their navigable tributaries. They are the great lines of transportation for our heavy and bulky products. Their banks are the seats of our manufacturing industry, attracted by the cheapness of transportation. I only state a fact, which I am prepared to prove if necessary, when I say that the Ohio river brings to Cincinnati, and carries away from it each year, more freight, and at infinitely less cost, than all the railroads which centre there. So it is with regard to all the cities on the Ohio and Mississippi rivers. These rivers are indispensable to the commerce of the western and southern States, and the prosperity of the people of the Mississippi valley, and we cannot permit, on any account, any needless obstruction or destruction of them.

Mr. THOMPSON, of Baltimore : Will the gentleman allow me to ask him a question? Does not your city corporation have some authority in this matter? Would they not regulate it rather than the General Government?

Mr. COOK : None at all, Sir ; not if a charter for a bridge had been obtained from Congress. I feel that I need not consume more time on this subject. The principle set forth in the resolutions is right—it is in the interest of the people—in the interest of the railroads as well, and I trust it will be unanimously approved.

Mr. SEALY, of Newark : I take the floor on this subject, simply because it is the only subject on the programme in which the people of Newark have any direct interest, and if it should be acted upon without a word from their delegation, it would indicate a lack of interest on their part in what directly concerns their city.

The city of Newark, a place of one hundred and five thousand inhabitants, according to the census, is rapidly being made an inland town by the bridges which have been thrown across the Passaic. The absurdity of the thing is apparent, when you take into account the fact that the General Government has spent millions of dollars in years past in improving the entrance to that river, which is becoming utterly useless as a highway for freight to the city of Newark. It is apparent, when you look upon the map, that all our importing cities are like trees in the East. They only flourish upon river banks, upon the borders of lakes, or upon our seaboard. Newark was planted upon the bank of a river; but to-day it occupies the position, almost, of an inland town. The people of Newark have been stirred deeply upon this subject. They have held indignation meetings, and remonstrated against the obstruction of the river, but the railroad companies have paid no attention whatever to them. The Central railroad has thrown a bridge across the mouth of the river, with the piles so close together that they have actually dammed it; and while their charter called for a draw to be made at right angles with the current, it has been made diagonally, in violation of the charter, and all the remonstrances of our people have amounted to nothing.

Mr. ALLEN, of Philadelphia: I would like to ask the gentleman one question. From whom did these companies obtain their charters? From the State or the National Government?

Mr. SEALY: From the State; but is it not well-known, that our great railroad corporations control our legislators?

The proposition before us enunciates a general principle, which I believe should be made national, through its adoption by Congress.

I will not prolong my remarks at this stage, only to say that all the railroads crossing the Passaic could cross on one bridge. There is no necessity for two bridges. One of our lumber merchants has said that it is impossible for him to get some vessels to come to Newark with lumber, and those which do come require largely increased rates of freight.

This is the position of Newark to-day, in consequence of the half-dozen bridges which cross the river. I say it is a perfect shame. These rivers are nature's highways. I have nothing to say against railroads. A man would be foolish to get up and say that railroads are useless. What we want is common sense in the regulation of these matters.

Mr. KIRKLAND: On Saturday, we were very much gratified by an excursion to the Falls; but gentlemen will remember, that on

approaching the suspension bridge, we were detained some five minutes, because there was a train on the other side, and when we were returning, we were again detained, to wait for another train. Now this bridge, magnificent as it is, does not belong to any railroad company, but to a bridge company. This bridge company controls the connections on either side, and the New York Central railroad had no right to attempt to do what they did, to prevent the Erie railroad from approaching.

It seems to me that it must be well understood, that a bridge with a single track cannot accommodate with the proper facilities, several railroad companies. The Baltimore and Ohio railroad company, in building those bridges across the Ohio river, built them to facilitate passenger traffic and to give greater safeguards to passengers travelling between the East and the West. We can very well understand that with the enormous freights that they have, they must regulate their time tables with a great deal of care, in order that their passengers shall not be interfered with. If these bridges across the Ohio are to be opened to the trains of any railroad that chooses to come to the entrance, how can they regulate their time tables to accommodate conflicting roads, who have the right to use their bridges, under your proposed resolution, upon the verdict of a jury, as to how much toll ought to be paid?

I apprehend that it is perfectly feasible for any railroad company without further interfering with the interests of the river, to extend or widen the piers of a bridge, and make a track of their own. The piers are not wide enough now to allow of a double track, but any railroad coming to that river would have a perfect right, under the supervision of this corps of engineers, to adjoin their piers parallel, and make the bridge wide enough for the accommodation of another road.

The railroad bridge which is being built in St. Louis, has there been designed with a view especially to accommodate all the railroads centering there, and as many more as may be constructed hereafter. We are now building an union railroad in Baltimore, to accommodate all the railroads coming and departing from that city; so that they may go from one side to the other without detention.

This is a special company, organized for the accomplishment of this very purpose. That union railroad, extending a distance of about eight miles, may have three or four tracks. I presume the bridge at St. Louis will have an equal number. In regard to the Louisville bridge, I contend, that if it has but a single track, it will be utterly impossible for it to accommodate all the railroads that enter

and depart from Louisville, and which are likely to be attracted thereto, without great detention to some, at Louisville. If there is but one place where a bridge can be built by other roads they can adopt the method to which I have before referred, and adjoin parallel piers to that structure, making it wide enough to lay double or triple tracks and make transportation across the river safe for passengers. All legislation in this country has been conducted with a view principally to the safety of life. This is now the controlling consideration, that life shall be secure. On these great passenger routes, how can it be safe to have but a single track, over a bridge used in common by several railroads, which cannot make their time tables in unison? How can it be done without serious injury and injustice to the parties who have spent their money in the construction of bridges, with the object solely of accommodating their own business, and who built them wide enough to accommodate only their own trains? The fact is, that every railroad carrying passengers, even without bridges, *should be obliged to have a double track*. If the gentleman from Cincinnati, (Mr. Cook,) will modify his resolution, so as to make this obligation apply to bridges *to be* built; and not apply to bridges already constructed, it will meet my views. I appreciate all that has been said in regard to the value of our great rivers; and the blessings they confer upon the people. Still, I contend, that for ordinary, general purposes (especially for passenger transportation) the railroads have done more to aid the agricultural interests of the country, by furnishing transportation to and fro between cities and sections East and West, North and South, than the river interest has ever done, with all the high appreciation I have, of that great interest.

MR. TAYLOR: I would like to say a few words before the question is put. In conversation a few weeks ago with one of the most eminent lawyers of the West, who has on several occasions declined the highest offices within the gift of the General Government, he told me, he believed that as these railroad bridges were declared by law post-roads, the right of transit over them could be enforced by other railroad corporations, on payment of reasonable tolls. Now, if the Baltimore and Ohio railroad so construct their bridges that it will be dangerous or impossible for other railroads to cross them, they will not seek to enforce that right. But we all know that the multiplication of bridges tends to seriously obstruct the navigation of a river, and we simply ask Congress to declare that those bridges shall be common highways, on the payment of reasonable tolls.

To show what we have done in Cincinnati, I will mention, that since this Board was in session, a bill has been introduced into

Congress, by the authorities of the Southern railroad, (which we contemplate building from Cincinnati, at an expense of ten millions of dollars,) authorizing the construction of a bridge between Covington and Cincinnati, with spans fifty feet in width, forty feet above the highest flood tide. We ask in that bill, that this bridge shall be declared a common highway, and that other corporations which may seek to come to our city shall have the right to cross that bridge upon payment of tolls. We do not want to multiply bridges.

There is another important consideration. Unless a clause of this kind is included, in such enactments, the railroads might monopolize the approaches to these rivers. I concur in the remarks of my friend from Boston, (Mr. ROPES,) in regard to this measure. We ask this Board to call upon Congress to legislate upon this subject with that enlarged vision which shall not only embrace the immediate present, but also the approaching future; for the time is coming when the vastly increased products of those fertile countries penetrated by the western rivers and their navigable tributaries, will be so great, that we shall need all the means of transportation which nature has provided and which human ingenuity can furnish, to move our surplus products to market. Now is the time to prevent aggressions upon these rivers and serious obstructions, and to save these navigable waters, which are free to all, and which require no charter to utilize them, for any man may launch upon them his scow, or his boat or his steamer. I think, therefore, that this Board should take an enlarged view of this matter, and ask Congress to legislate in the same spirit. If these bridges of the Baltimore and Ohio railroad are not capable of passing more freight than that road can transport, no road will care to go upon them and be subject to those tolls.

Mr. THOMPSON, of Baltimore: Will the gentleman allow me to say one word. Those bridges have been built at our own cost, and we want to reserve the right to say who shall cross them. We do not propose to obstruct navigation or anything else.

Mr. COOK: You have already done that.

The question was then put upon the third resolution, and it was agreed to.

The concluding resolution of the series and the preamble were then adopted.

OCEAN POSTAL SERVICE.

On motion of Mr. STANARD, of St. Louis, the report of the Committee on Ocean Postal Service was taken up.

Mr. STANARD, of St. Louis: The Committee unanimously concur in recommending for the adoption of the Board the series of resolutions which will be read. With these resolutions, and as introductory to and explanatory of them, they present a report prepared by an officer of the Board, containing much valuable information, which they desire to have incorporated in the record of our proceedings, but which there will not be time to read this morning. I am instructed to ask that this report may be printed.

On motion of Mr. GRUBB, of Philadelphia, the report was referred to the Executive Council, in order that it might be printed. It is as follows:

The Committee of the National Board of Trade on Ocean Postal Service beg respectfully to report.

Those who are familiar with the history of ocean steam navigation do not need to be told that as soon as it became apparent that steam was to be employed in the propulsion of vessels at sea, the British Government determined to assist and support certain companies composed of men of business ability and standing, who were ready to experiment with this new agent and to apply it upon the chief routes on the globe. It came to this determination chiefly in the interest of its colonial possessions; the commercial value of the new power becoming clearly evident, only as time advanced. One of the three great companies subsidized was the Peninsular and Oriental Company, which was to unite Southampton with Gibraltar, Malta, Alexandria and the vast dominions of Great Britain in the East. Another was the Royal Mail Company, which was to unite all the West India islands and the Spanish Main with each other and with England. The third was that known as the CUNARD Company, which was to occupy the route between the Mersey and British North America; Halifax and Boston being regarded as the most eligible ports for this purpose. These companies had virtually a guarantee behind them against loss in the costly, but, as it has proved, most important experiment which they had undertaken to make, and they made this, therefore, under the most favorable conditions possible. As a consequence, improvements were adopted in the construction of steamships, almost vessel by vessel, steam routes were lengthened and multiplied, and the scope of steam commerce was widened. At first nothing was known but the paddle-wheel steamer, which was expensive to build and to sail, and which was adapted only for first-class passengers, valuable merchandise and the mails. Such vessels could never have been supported by their commercial earnings, and could

not probably to-day. But soon the screw steamship was devised and to a good degree perfected ; and in the autumn of 1849, Mr. WILLIAM INMAN started the line known as bearing his name, and to him belongs the credit of first attempting to run a steam line without Government aid, and of first carrying heavy freight and emigrants by steam. The INMAN line grew and prospered, although it had the subsidized CUNARD line to contend with ; and, in 1859, its average passages having equalled, if not outdone, those of the CUNARD company in point of speed, it offered to carry the British mails for the postages. This offer was declined, but it made an arrangement with our own Government, whereby it was to carry a mail on certain specified days for the ocean postage accruing on the letters conveyed by it. For about twenty years it ran with marked success, without drawing upon the public purse of either England or the United States for a penny, except for the share of American postages actually earned by it ; but a year or two ago the British Government, on the revision of its contract with the CUNARD company, awarded a subvention of thirty-five thousand pounds per annum for a weekly service to Mr. INMAN and his associates, and at the same time cut down the CUNARD company to seventy thousand pounds per annum for a semiweekly service. This company had in former years been receiving one hundred and seventy-six thousand pounds for a weekly service, so that now it receives considerably less than half for performing twice as much work ; it also runs a third steamer nearly every week, for which it receives nothing at all from the post-office, and which must therefore wholly pay its way from its freight and passenger earnings. It will be seen, then, that these two companies are paid by the English Government at the same rate,—less than seven hundred pounds or thirty-five hundred dollars gold for each round trip ; this is about one-tenth of the compensation formerly paid by our own Government to the COLLINS line, which received thirty-three thousand dollars for each round trip. Yet the COLLINS line failed utterly, and these two companies are prosperous as never before. What is the explanation to this ? Simply the modern screw steamship, as now constructed on the Clyde and the Tyne, safely run and judiciously managed.

But there are successful steamship lines in the Atlantic trade, which never asked and never received a penny from any Government, except postage money earned by them. Among these are the GUION line, so called, owned largely in New York, as it is said, now carrying the United States mails, and running weekly ; the National line, running weekly, and sometimes sending two steamers a week ; and the Anchor line, running weekly, which has lost two vessels during the last year, but which, never-

theless, does a very profitable business. And now a new line is advertised, called the White Star or the Oceanic, which is to take the beautiful names of the unfortunate COLLINS vessels, but which, let us hope, will inherit nothing else from them; it announces six steamers of four thousand five hundred tons each and three thousand five hundred horse power, building, we believe, at Belfast, of which two are launched, and two more are nearly ready for launching. This company promises that its steamers shall run at high speed, and afford such comfort to passengers on the Atlantic as has never yet been enjoyed; but it has asked for no subsidy from its own or from our Government, being ready to carry the mails for the postage upon them. Its capital is held by a very few wealthy men in Liverpool, and its agents in that city are men of high commercial position, and they know what they are about. The modern screw steamer, with the latest improvements in machinery, by which a wonderful reduction in the consumption of fuel is effected, will undoubtedly make this new enterprise a commercial success.

Then there are the favorite steam lines from Hamburg and Bremen to New York, probably owned also to some extent in the latter city; these vessels were built in Great Britain, the owners thus being able to avail themselves of all the latest improvements in model and machinery, and of the lowest current prices of construction. Both these lines have been very profitable pecuniarily, building themselves up, in fact, by their profits; yet they have never received a dollar from any Government except what they have fairly earned by carrying the mails. The merchants of Bremen and Hamburg have been permitted to purchase the modern British iron screw steamer, and therefore they have been able to compete successfully with the owners of the British lines. Why should not the merchants of New York, Boston and other American cities, be permitted to make a similar attempt under their own flag?

In view of such facts as these, how can the merchants of the United States urge upon their Government to enter at this late day upon an expensive system of ocean steam subsidies. Rather, how can they hesitate to earnestly impress upon their Government the desirableness of concluding an arrangement with the Government of Great Britain, looking to the abolition by both, of the steamship subsidy system on the Atlantic ocean? We do not forget that it has lately been given in evidence before Congressional Committees that Great Britain has recently increased some of her ocean subsidies, and that her ocean postal service costs her now about a million sterling. But this includes all the lines upon her own coasts, to Ireland, to France, Bel-

gium and the adjacent countries, as well as those to her distant possessions. The French Government, for political reasons, encouraged the establishment of a French line to the East, and heavily subsidized it; hence the British Government, for political reasons also, felt obliged to strengthen the position of the Peninsular and Oriental company, in order to enable it to maintain itself in this national competition on a very expensive and difficult route. It should be said, however, that there are steam lines profitably engaged in the trade between England and the East Indies, entirely unaided by the Government, and the opening of the Suez canal has multiplied their number. Whatever, therefore, may be the exceptions, the truth is that the British Government, having by its liberality brought the screw steamship into existence, is anticipating the abandonment, at as early a day as practicable, of the subsidy system, and has taken many steps in this direction on the Atlantic ocean. It subsidizes no new lines, and it is gradually withdrawing its support from the CUNARD company, which has been its favorite most deservedly, for the last thirty years, notwithstanding the establishment of a heavily subsidized French line, consisting in part of Clyde-built steamers, with which this company has to run in sharp competition; for here no disturbing considerations intervene to swerve it from its newly accepted policy. Nor will the CUNARD company be a sufferer when its subsidy shall cease altogether. To fulfil its contract, it was obliged to build the *Scotia*, at an expense of one hundred and eighty-six thousand pounds; this is its last paddle-wheel steamer, which, even with the mails, it does not pay to employ in the winter season. It cost thirty thousand pounds extra to build the *Russia*, because of the requirements of the company's contract with the British Government. It is now bringing out at a cost of about one hundred thousand pounds sterling each, such vessels as the *Abyssinia*, the *Batavia* and the *Parthia*, equal in comfort and speed to any which have preceded them, with large capacity for freight, and small consumption of fuel; and probably the company will make more money running these steamers without a subsidy than it now does running the *Scotia* and the *Russia* with one.*

* Captain JOHN CODMAN, in one of his pamphlets advocating reform in our navigation laws, publishes a letter addressed to him by an English gentleman, from which we make the following extract:

"The fact is that private enterprise goes ahead of the mail companies. The CUNARD and INMAN unsubsidized ships pay better than their mail ones. Again, with the Peninsular and Oriental, private enterprise pays better than their's, and there are now dozens of steamers, in addition to those already running, building for the China and India trade. The Peninsular and Oriental has only six and

Admiral PORTER, in a recent report on the condition of the American navy, after saying that there is little emulation among our machinists, and little or no improvement in our marine engines, continues :

" All improvements are made abroad on the Clyde and the Mersey, where giant strides are taking place in the construction of machinery for war and merchant ships. Time and economy are so much objects to the British builders, that the greatest ingenuity is brought into requisition. An engine is no sooner built and pronounced perfect than another of later improvement is brought forward to supersede it. * * * * * The English are now adopting a compound engine, which affords great economy of fuel, high speed and increase of room, and can be built at much less expense. In merchant steamers there is a saving of more than one-third in coal, which, in a few years, would more than pay for the engine, to say nothing of the amount saved in the extra room afforded for freight."

We, in the United States, have now an opportunity to begin at the point which Great Britain has attained after the experiments of the last thirty years. Our new steam lines may start with such self-sustaining ships as the *Algeria* and the *Parthia*, if our Government will allow its citizens to go where only, at the present time, such vessels can be built at a cost at which it will pay to procure them. If it persist in refusing this permission, and if our national policy continue to be to postpone the era of shipowning until that of shipbuilding shall have returned, we ought not to be surprised either at the steady decline of our own shipping interests, or at the remarkable development of those of other countries, made possible only in the degree in which we witness it, by the fatal prohibitions of our navigation laws.

There can be no question that the speediest and most economical plan for establishing steamship lines under the American flag, is to

eight-pence a mile. The *Messageries Impériales*, of France, for the same service have twenty shillings, beside other advantages, such as two-thirds of capital advanced, one-half of which repaid on twenty years with interest, the remaining third written off yearly, over twenty years, without interest or repayment, and this is called enterprise by France, and may be also by America. All the French independent companies, however, get their ships built in this country. Of the more than three thousand steam vessels registered in the United Kingdom on January 1, 1869, how many are subsidized ? If I say two hundred, I give the most. The Anchor line, the National, GUION's, and one-half of CUNARD's and INMAN's are not subsidized, while the subsidy given CUNARD and INMAN does not pay for the obligations they come under. I have heard Mr. BURNS say that he would do as well without the mail service. The prestige of it helps, not the money."

permit registration to foreign built ships, and it becomes us as practical business men to urge this policy upon Congress. If it be said to us, as it is said by some, that for naval or other governmental reasons, we ought not to buy abroad, but at any expense to build our ships for ourselves, and to keep our own mechanics busy and skilful; we reply first, that on this floor we should leave all such considerations out of the account. The commercial convention, held at Detroit, in 1865, set an example in one respect at least, which should always be followed in this Board and in all assemblages of commercial men. When the Niagara ship canal was under discussion in that meeting, it was proposed to recommend it to Congress as "a national work of great military and commercial importance, alike demanded by military prudence, the necessities of commerce, etc."; but the reference to military affairs was stricken from the resolution by a vote of one hundred and twenty-nine to twenty-six, so anxious were the members to disencumber their action from whatever was not purely commercial. We cannot do better than to adopt this as a precedent. It is for us as practical merchants to say what the country needs, and how its wants can best be met; it is for our public men at Washington to assume the responsibility of deciding whether any considerations of public policy or of statesmanship present themselves in sufficient force to override the plain teachings of political economy and the accepted maxims of the commercial world. But it may be replied, secondly, that in reference to the subject now under consideration, many public men give their concurrence for public reasons to the policy which business men are recommending on commercial grounds. A few of them may be quoted. Admiral PORTER, in his testimony before Mr. LYNCH's Committee, while expressing his disapproval of the indiscriminate purchase of ships abroad, recognized the necessity of exceptional legislation to meet the present emergency, and said that he should "like to see enough of ships allowed to be bought on the Clyde, under proper naval inspection, to enable us at once to compete with Europe," and he was "quite satisfied, that if we had that privilege, we would drive just so many foreign ships from the ocean." The Hon. HUGH McCULLOCH, in his report as Secretary of the Treasury for 1866, expressed the following opinion, which he repeated both in 1867 and in 1868: "If subsidies are objectionable, then it is recommended that all restrictions upon the registration of foreign built vessels be removed, so that the people of the United States, who cannot profitably build vessels, may be permitted to purchase them in the cheapest market. It is certainly unwise to retain upon the statute books a law restrictive upon commerce, when it no

longer accomplishes the object for which it was enacted." The Hon. F. H. MORSE, of Maine, late Consul-General of the United States in London, in an able despatch on the condition of American commerce, addressed to the Department of State on the first of January, 1868, after pointing out that "we must go into the freight markets of the world as nearly on an equality with all maritime powers as possible," and that when we pass beyond the reach of the local laws which secure the monopoly of the coasting trade, the true value of our out-going tonnage "is in reality controlled by the contestants for the prizes of commerce, and not by ourselves," added: "It may also be thought expedient to permit the purchase by American citizens of such foreign built steamers of not less than two thousand tons burthen, as may at any time, within a given day, be immediately wanted to put on any established and regular line between the United States and any foreign country." And President GRANT, in his special message to Congress, dated July 15, 1870, expressed his views as follows: "The latest intelligence from Europe indicates the imminence of a war between France and North Germany. In view of this, a sound policy indicates the importance of some legislation tending to enlarge the commercial marine of this country. The vessels of this country, at the present time, are insufficient to meet the demand which the existence of a war in Europe will impose upon the commerce of the United States, and I submit to the consideration of Congress that the interests of the country will be advanced by the opportunity afforded to our citizens to purchase vessels of foreign construction for the foreign trade of the country. An act to this effect may be limited in its duration to meet the immediate exigency."

In the same spirit, but broader, was the action of the National Board of Trade at its meeting in Cincinnati in 1868, when, by a vote of sixty-five to two, it recommended to Congress "the enactment of such laws as will allow American citizens the right to purchase, build or equip, in any part of the world, any boats or vessels, propelled either by sails or by steam, that may be required for commercial purposes." The action asked of the National Board at its present meeting is, in effect, a re-affirmation of that resolution, with a declaration as to the consequences which will result from such liberal action in favor of one branch of our foreign commerce.

There may be with us, as with Great Britain, exceptional routes, which, for political or other public reasons, it is important for us to control, as between Atlantic and Gulf ports and Central and South America, or on the Pacific ocean, and, in the interest of which, it may be desirable to legislate temporarily, giving moderate subsidies

to responsible parties who shall convey the mails, and who shall serve as the pioneers of the national commerce on those routes. Even in such instances, permission to purchase steamers abroad at the outset, would be of essential service; but something more than this may be required for a time, especially in view of the general feeling of apathy if not of despondency which prevails among us in connection with everything relating to marine enterprise.

The Committee beg to report the following resolutions, and respectfully recommend their adoption by the Board :

WHEREAS, The national policy of subsidizing mail steamships, adopted by Great Britain more than thirty years ago, has accomplished the main purpose for which it was entered upon, namely, to carry forward under the most favorable circumstances, the costly and for a long time doubtful experiment of using steam for the propulsion of vessels engaged in ocean commerce; and

WHEREAS, It has now been thoroughly demonstrated that by the use of screw propellers of approved build and supplied with the latest improvements in machinery, steamship lines, wisely managed may be made to pay between the United States and Europe, without any assistance whatever from any public treasury; and

WHEREAS, So far as the North Atlantic is concerned, the British Government during the last few years has essentially modified its postal policy, the subsidy of the CUNARD line having been reduced by more than three-fourths, and five of the seven steam lines now in successful operation between the United Kingdom and the United States receiving nothing from the Government of either country except a portion of the postages earned on the mails conveyed by them; and

WHEREAS, The results of the experiment in ocean steamship building which Great Britain has made at an enormous outlay, are now available free of cost to any commercial nation which is willing to accept and use them; and

WHEREAS, It is for every reason undesirable that the Governments of the United States and Great Britain should engage in an expensive competition upon the ocean by granting subsidies respectively, to steam lines running against each other between the two countries, when private capital is now prepared to perform all the steam service required without taxing the public; therefore

Resolved, That the National Board of Trade would respectfully urge upon the attention of the Postmaster-General the desirableness of securing a convention between the Governments of the United

States and Great Britain, wherein it shall be provided that, after the expiration of the mail contracts then in force, no further subsidies shall be paid by either, during a certain specified time, to any steamship line plying between the two countries, and wherein also, it shall be stipulated what proportion of the postages earned by the steam vessels of the two flags respectively, shall be paid to them as compensation for carrying the mails, so that the policy of both Governments henceforward, on this subject, shall be definite, uniform and friendly.

Resolved, That until such a convention as is suggested in the foregoing resolution shall have been entered into, any temporary assistance which it may be thought desirable, by the Congress of the United States, to afford to our citizens in their endeavors to establish ocean steam lines, should be under a general bill which will place upon an equitable footing all the chief ports on the coast between Portland, (Maine) and New Orleans.

Resolved, That the speediest and most economical plan for establishing steamship lines in our trade with Europe, under the American flag, would be to so modify our navigation laws as to permit, temporarily at least, the registration of vessels built abroad; and that Congress be and hereby is respectfully urged to pass a law early in the present session, giving to our citizens this liberty already enjoyed by the people of every other commercial nation on the globe.

Resolved, That as regards those ocean routes to which capital whether foreign or otherwise may not readily be drawn, as from Atlantic and Gulf ports to the West Indies, Central America and South America, and from Pacific ports to Australasia and the East Indies, judicious subsidies by the General Government for a limited time and under stringent restrictions, would prove useful for the extension of our foreign commerce.

Mr. HAWLEY, of Detroit: In the main, I agree with the report of this Committee. They tell us many truths and among them is the fact, that these ocean steam lines can do a profitable business without subsidies. So far, I am glad that the Committee have reported as they have done. But, Mr. President, before they conclude their report, they recommend, in conflict, as I apprehend, with this truth,—the granting of subsidies, for a certain length of time, to certain steamship lines. They recommend that Congress enact measures which shall provide for the free registration of foreign built ships. This, I apprehend, is a wise recommendation, and it is one which I hope this Board will be prepared to endorse; but at the same time, I should like to move an amendment, asking Congress to so adjust the

tariff that our American ship-builders can compete with the ship-builders of other nations. We are informed by men who have given much attention to this subject, that our ship-builders can compete with those of foreign countries, if we will only adjust the tariff, as we believe it should be adjusted, so as to give this manufacturing interest a fair chance. Mr. Commissioner WELLS, in his report, takes this ground distinctly,—that we can compete, under advantageous circumstances. I am glad, Mr. President, to know that iron ship builders in the city of Buffalo concur in the correctness of this statement in the report of the late Commissioner. In years gone by, two of the ship builders of Buffalo, Mr. EVANS and Mr. CRAIG, have built iron ships when iron cost but two and a half or three cents a pound; now it costs from eighty to ninety dollars a ton—nearly double. I move, then, the following amendment :

Resolved, That the National Board of Trade, through the Executive Council, memorialize Congress to discontinue any subsidies now granted to steamship lines, when the time for which they have been agreed upon shall expire.

Resolved, That in view of the present depression existing in the carrying trade, in American bottoms, and to meet the present necessities of the country in respect thereto, this Board favors the passage of such measures by Congress, as will permit the free registration of foreign built iron vessels, and such an adjustment of the tariff as will enable American ship-builders to compete with the builders of other nations.

In relation to the profitableness of ocean steamship navigation, permit me to state the result with regard to one of the lines that go to and from our country and Europe.

In 1869, one of these lines from a country whose citizens are permitted to purchase Clyde-built iron ships and run them to foreign ports under their own flag,—a privilege which we are denied,—realized a profit of one hundred and eighteen thousand, three hundred and twenty-one pounds, which was divided as follows: To depreciation, ten per cent. ; sinking fund, ten per cent. ; boiler renewal fund, four per cent. ; Directors salaries, one per cent. ; divided among the shareholders, fifteen per cent. on a capital of two hundred and ninety-six thousand pounds. In addition forty per cent. was appropriated for interest, indicating earnings or profits in the gross, amounting to forty-four per cent.

I give these facts, Mr. President, to indicate that all that ocean steam lines require for their establishment among us is, that we shall remove certain hindrances which our Government has interposed, precluding our citizens from sharing in this profitable branch of industry. If Congress will so adjust the tariff, that ship-building materials can be purchased at reasonable rates, our ship-builders, as I have reason to believe, will compete with ship-builders on the Clyde, and then we shall have a double profit; sharing the profit of ocean ship-building, and also of ocean navigation.

Inasmuch as the amendment follows distinctly the argument of the Committee, going against subsidies, for the reason which they give, that the business is susceptible of being made self-supporting and remunerative, I trust that it may find favor with this body; and also for the reason, that it asks Congress to so adjust the tariff, that this branch of manufacturing industry shall be put on as favorable a footing as any other.

It was recommended on a certain occasion, by Mr. CLAY, in Congress, that sumach should be admitted to this country free. He said he believed that it was for the interest of the manufacturers to obtain their raw materials, from whatever source they could obtain them, on the cheapest terms. If, in the interest of woollen manufacturers and many other manufacturers, many raw materials have been put upon the free list, time and time again, shall we do less for this vast interest, which has been, in the language of the *New York Times*, "nearly legislated out of existence?" Can we ask Congress to do less for this interest, than they have done for other interests?

Mr. WETHERILL, of Philadelphia: I heartily concur in the remarks of the gentleman from Detroit, in the main. I am fully aware of the necessity of doing something to encourage American shipping. I am fully aware of the loss of position we have suffered in consequence of the condition of this interest, and of the importance of regaining that position at the earliest practicable period; but, at the same time, I do not think that the plan suggested by the gentleman from Detroit will secure that end. What we want in this country, in my opinion, is to encourage shipping in our own vessels and the building of those vessels here; and, Sir, to arrive at that, it does seem essential that the Government for so good a purpose, should grant subsidies, and I favor the granting of such subsidies. Sir, upon the Clyde, a mail steamer, say of three thousand tons, would cost eighty thousand pounds, or about three hundred and fifty thousand dollars in gold; and with the duty and premium on gold, it would cost four hundred and seventy-five thousand dollars. I am told that

our ship-builders, working economically, closely and almost at cost, could not build such a vessel for less than a hundred thousand dollars more. I am in favor of placing American iron at the cost of foreign iron, and all the materials entering into ship-building at the foreign cost; and Sir, we can only do that by asking the Government to give us a drawback; but if the Government should give us a drawback, we have another trouble in regard to it. I am told that it costs very much more to sail a vessel with American sailors, than it costs to sail foreign ships. A German captain, if you please, will work for a great deal less wages than an American captain; and German sailors can be secured at much lower wages than American sailors. I am told, also, that the cost of provisions and out-fit for a German ship is very much less than for an American ship. So that, if you give us American vessels, such as those built on the Clyde, our great trouble will be to run them, because of this extra expense.

Now, while on the one hand, in the spirit of compromise, I would be perfectly willing to ask the Government for such a drawback as I shall presently propose, I would even go further; I would be perfectly willing to vote for a measure admitting free of duty every article consumed upon a ship, so that while on the one hand by securing a drawback, we encourage American manufactures, and make our idle ship yards busy, we shall, on the other hand, be able to victual our ships just as cheaply as they can be victualled on the other side.

Now, to meet this question fairly, and in that spirit of compromise, I offer the following additional resolution:

Resolved, That the National Board of Trade recommend that a drawback be allowed upon all materials of American growth or manufacture entering into the construction of vessels built in the United States equal in amount to the duties which would have been put upon such articles had they been imported; and also, that all articles consumed by the ship's crew be admitted free of duty.

The previous question was ordered, which cut off the amendments.

The resolutions as reported by the Committee were voted upon *seriatim*, and they were adopted.

XXV. PACIFIC RAILROADS.

WHEREAS, Another Pacific railroad is imperatively demanded to produce a healthful competition whereby the rates for freight and

travel may be reduced, and greater accommodations secured for the public; and

WHEREAS, Justice to the whole country demands that the United States Government should grant such liberal subsidies and all such other needed legislation as will secure the most speedy construction of another great national Pacific railroad in a more central national route, which will more equitably subserve the interests of the whole country; therefore.

Resolved, That the Executive Committee be instructed to memorialize Congress to grant such liberal subsidies and all other needed legislation as will secure the earliest possible construction of a more national central Pacific railroad to San Diego and San Francisco.

MR. BONNER, of St. Louis: It is exceedingly embarrassing to me, Sir, to ask the indulgence of this honorable Board for twenty or twenty-five minutes; but the importance of the subject to be presented, together with the fact that I have not as yet occupied your time even for a moment, and with the further fact, that propositions are now before Congress, asking for additional appropriations of public lands, amounting to forty millions of acres, will be accepted, I trust, as giving me warrant for occupying the time for which I ask your indulgence.

Comparing the propositions on the programme of this Board in relation to railroads—one from Newark in which the extravagant subsidies of land for that object, and their probable results on the independence of the nation and the prosperity of the people, are opened up for discussion; and another from St. Louis, in which the imperative necessity of an additional trans-continental line, is enforced for the accommodation of trade and the cheapening of freights by competition, are brought before this body; it will at once be suggested to every mind that some new method must be adopted to accomplish the purpose and meet the views of the sentiments expressed. The great work of a railroad from the Atlantic to the Pacific, or, at least, from the Mississippi river to the Western ocean, cannot be performed without aid from the General Government; and the usual process for this assistance is by liberal gifts of the public domain. Taking for granted the statement of the Newark Board of Trade as correct, it would seem that one hundred and eighty-two millions of acres have already been given in this direction; an immense amount, which, if increased in the same ratio, would soon absorb the better portions of our territorial limits. New York, Pennsylvania, Ohio, Indiana, Illinois and Missouri aggregate in their areas, according to

the best data we have, quite one hundred and eighty million acres, or thirty millions each; and the sum already donated, therefore, would be sufficient for the formation of an equal number of States between the Mississippi and the Pacific slope. This, every one must admit, would be a political power, to say nothing of commercial influences, of too great an extent to be entrusted to powerful corporations. The Newark Board, therefore, has wisely resolved, "That the giving away of one hundred and eighty-two millions of acres of the public lands, to railroads, by the Government, has created a dangerous precedent that should cease." And yet the St. Louis Merchants' Exchange offers for your consideration the fact that "another Pacific railroad is imperatively demanded to produce a healthful competition whereby the rates of freight and travel may be reduced, and greater accommodations secured to the public." What is to be done? I repeat it, a new method of giving aid, and yet withholding the power the gift confers, must be adopted; and this new method lies simply in the accomplishment of the work by the Government itself. There can be no constitutional objection to such a plan. Precedent in other modes of transportation guarantees its full legality. Our national authorities have full jurisdiction over navigable streams, with the burdens of the improvements of such water courses on the Federal Treasury, recognized by constant appropriations for the purpose. A railroad from ocean to ocean, constructed on a scale commensurate with the vastness of the business and the diversified interests involved in the enterprise, would be, to all intents and purposes, but another Mississippi river, running East and West—an artificial work, it is true, but one "imperatively demanded" by the public. What is the difference between building a national highway of iron, and the improvement of the rapids of the great West by the excavation of rock? None whatever; both are intended to benefit the commerce of the country, and to bind our vast domain together in unity and strength. At Rock Island is a grand arsenal for the manufacture of war munitions, and the concentration of military forces; along the Rocky Mountains troops are constantly required, and will be required for years to come for protection against domestic enemies, as well, perhaps, as foreign foes, landed along the Pacific shores; and certainly facilities of transportation are as necessary in the one case as in the other. This vast interior will demand not only "another Pacific railroad," as the St. Louis proposition puts it, "to produce a healthful competition whereby the rates for freight and travel may be reduced, and greater accommodations secured for the public," but its rich soil and mines must call for a half-dozen or more constructions of that

character. That number of roads built in the existing style and by the aid of public lands to incorporated parties, would transfer the public domain, or a large part of the most valuable portion of it, to private hands, or to the dictation of a few men. It is impossible, as any one can see at a glance, to reconcile the views entertained by the two boards quoted, if the old method of fostering such improvements be continued. Nor can the old mode reduce freights by competition. It is futile to attempt the enterprise—if that word can be used—for a purpose of the sort, however “imperatively demanded.” A half-dozen roads could easily combine—indeed, estimating the productions of the interior far below the evidences of its partially developed wealth, the inducement of a heavy amount of tonnage would induce them to combine—to increase rather than to lessen charges of transportation. Every advantage would be in their hands, and these advantages would grow stronger as the requirement for transportation became more and more expanded.

How, let me ask, are these difficulties to be surmounted? In my opinion there is but one way, and that is for the Government to build the road. Not such a road as we have already across the continent, but one with accommodations on a greatly enlarged scale, and with materials and workmanship that would insure full facilities and safety to persons and property. Can it be done? Most assuredly; and by means which will not compromise or nullify the “two conditions necessary to render a Government permanent,” according to the very correct opinions of the Newark Board of Trade, which are: “First, that the people shall share the responsibility of making and executing the laws; and secondly, that there shall be a widely distributed ownership of the landed property” of the nation. By the method I suggest, the Government would part with no portion of its domain to incorporated bodies, but every foot of it where disposed of, would go into the possession of actual settlers. The work itself would bring the lands along its route into requisition, at an enhanced value, if the Government should choose to enjoy that advantage. Briefly it is this: a double track, laid with steel rails, and all its appointments complete in the most substantial manner. On this bed, kept in perfect order, every one to be permitted to run his own train, whether as an individual or an incorporated company enterprise; precisely under the same conditions as lines of boats are allowed to navigate the canals of the country. For the privilege, these lines are to be charged a sufficient amount to meet the current expenses of the road-bed. Bonds to be issued for building the road, as bonds have been issued for the building of the Union Pacific, by the United States; a finan-

cial process dependent for its success upon the credit of the nation, and one which, so far, has proved adequate to the demand of similar improvements. The lands along the route enhanced in value, as already remarked, to be sacredly pledged to the redemption of this bonded indebtedness. As soon as the bonds are retired, the rate of toll to be reduced to a schedule of prices necessary only to maintain the bed in the condition already described. Such is the proposition. By this mode no interest on the debt of construction would be constantly recurring, no dividends on capital stock as frequently demanded; the Government would receive its compensations from a thousand sources stimulated by enterprise into active industry. Agricultural and mineral developments would follow, while commercial energy would spread itself entirely across our ocean bounded country. So great an aggregate of wealth, brought into existence by this improvement, would yield to the treasury a revenue a thousand-fold greater than any to be estimated by simple earnings from mere transportation.

Another consideration of vast importance is presented through this suggested national plan. In place of inducing competition by multiplying roads, the independent trains, or lines, on the route proposed, would answer the same necessary purpose in a great measure. The utmost degree of economy and of efficiency in transportation would be brought into requisition, and the minimum of cheap charges constantly established. If one man's or one company's train, would not take wheat, or any other product, to the Mississippi river or Pacific ocean along the line, as cheaply as comported with the views of the shipper, another would. You would have a competing line at every station, however small, and by that means obviate the oppressive rates of local tariffs. The commerce passing over the road would not be taxed to pay an interest on the bonded debt for construction, for no bonded debt would exist; nor would it be taxed to pay dividends on capital stock account, for no capital stock account would exist. In this way the St. Louis Merchants' Exchange would find its object accomplished in an eminent manner. Each train on the same road would be a competitor for business; and a commercial feat would in this way be accomplished, which a dozen separate and independent roads, built at billions of expense, might fail to bring about. There is only one objection to be urged against this measure, and that is the opposition of the public to any increase of our national liabilities. This objection on the surface has some apparent reality, but only on the surface; for really it has no valid existence whatever. The Government realizes only upon its own assets in the execution of the

work, while the work itself brings into existence the means by which it is constructed. There is no increase of national liabilities or indebtedness. On the contrary, national resources are husbanded, strengthened and multiplied by this plan. "Another railroad is imperatively demanded," says one commercial organization. How is it to be furnished?

By the old method, of course, will be the general answer, that old method which begins to find serious objections springing up; by Government aid in bonds and land grants. Suppose the need supplied; Government has loaned its credit, increased its liabilities, and parted with the fee of millions of acres of its domain to a mere corporation. A transit has been established, it is true, but at fearful expense and liabilities. Interests and considerations are jeopardized, to which free institutions should not be subject. One hundred and eighty-two millions of the public domain cannot be transferred to mammoth corporations by a Republican Government with impunity; nor can the commercial interests of a free people be left with safety in the hands and under the sole direction of a few, whose chief aim is the accumulation of gain. The "imperative necessity" is supplied, and an aristocratic monopoly holds jurisdiction over a large and important section of our territorial domain, which it controls with the most absolute authority, material, and, I may add, political. The object of the "imperative necessity, to wit, *competition*, has been accomplished, along the route at least, for the competing road is too far away to impose any restraint or beget any liberality. Is it to be wondered at that an opposition has sprung up through the country against this enormous extravagance in the donation of the public lands? The people are denouncing it; Congress begins to look at the wholesale transfers with apprehension, and now our Boards of Trade, critically observant of interests that touch the principles of political economy, present the matter to the consideration of our commercial citizens.

In presenting this plan of a national highway to the Pacific, Mr. President, I do not wish it to be understood for a moment, that a system is intended by which our Government shall become the builder, owner and recipient of the profits of such works. That might do for the nations of Europe. Spain, Portugal, Italy, France and Holland, can link improvements of the sort with the throne, and replenish their treasuries from the proceeds. But with us the speculation would be unjust and corrupting. The object with them is to meet the heavy demands of war expenditures, and tax industry to its utmost for the support of extravagant courts; with us, it should be to

subject private enterprises of a similar character to a legitimate rate of charges, and accomplish the greatest good to the greatest number. The Belgian Government, as an example of the vast gain to be derived from railroads, projected a system in 1834, with money borrowed by the State to the amount of eight million pounds sterling, or forty millions of dollars, the whole to be paid off in fifty years by the proceeds of a sinking fund; after which, that is from 1884, the whole profits of the lines will become part of the revenues of the nation. At that time the net revenue will be nine hundred and sixty thousand pounds—at least such is the estimate—a sum sufficient to pay the interest on the national debt of twenty-six million pounds. All the countries I have named, by a like process, at the end of various terms of eighty-five to ninety-nine years, will be enabled to pay off a large portion of their national indebtedness; or, as a writer observes on the subject, improvident Spain will pay off about forty million pounds, heavily burdened Austria sixty-five million pounds, and Italy will wipe out a large portion of her debt of one hundred and seventy-six million pounds. In France, as a further exposition of the system, railways are conceded for ninety-nine years, but it is one of the conditions of the grant that all the capital, whether in shares or debentures, (I quote from the writer alluded to,) shall be paid off within that term by an annual *amortissement*, or sinking fund. The small amount of this annual payment is extraordinary. The rate of interest is five per cent., and the annual sinking fund necessary to pay off one hundred francs in ninety-nine years is as nearly as possible four. Put into English form, it means that the annual sinking fund necessary at five per cent. to redeem one hundred pounds in ninety-nine years, is one shilling per annum. The whole expended capital of French railways represented by shares and debentures, is two hundred and thirty-three million pounds; the redemption of that sum, therefore, is less than three hundred thousand pounds, so that the French nation will acquire in ninety-nine years an unencumbered property of two hundred and thirty-three million pounds sterling, enough to relieve the country from her debt of five hundred million pounds, as it existed prior to the present war. I allude to no such ulterior object as this, but to a project, that while it seeks to give no monopoly to the Government, prevents the absorption of our public domain by corporations, and saves the vital interests of our people from the dominating influences of the few. These heavy revenues, immense advantages, and political concentrations, accruing to the monarchies and aristocracies of Europe, are to be enjoyed in our own free land by the sovereign people.

Egress, ingress, dissemination, the right of way, the power to transport and circulate, are important matters. Europe is at present convulsed in relation to the right of one of its powers to enjoy the privilege of navigating the Black sea, and genius, diplomatic and military, is invoked to solve the problem of that privilege. In view of this, can the importance of our internal commerce, which is destined in a few years to be as great as a half a dozen of those nationalities abroad, and the safety of the popular institutions of this republic, be jeopardized by an unlimited squander of the public lands and the surrender, without check, of transportation interests? The proposition is, not that the Government shall construct a road to the Pacific by which our national debt may be paid, but for the purpose of securing transit on the cheapest scale possible. The road would act as a great regulating wheel to all other roads in the entire country, and indicate constantly the scale of prices necessary to sustain the working power of such improvements. Actual settlers along its margin would derive titles to their lands through the Government itself, while the road which invited them to locate on the broad plains and in the mountain valleys of our vast interior, would yield them always the most accessible and economical facilities for an outlet to the markets of the world. People would settle along the route with as much certainty of enjoying advantages of cheap and permanent freights, as though they selected their homes on the margin of the St. Lawrence, or the great rivers that thread the valley of the Mississippi.

I have merely sketched the subject, giving a simple skeleton view of the matter, but in a way pointed enough, perhaps, to permit every one to fill up the outline to its full completion. We are dealing, Sir, with a measure of immense proportions, even in its early conception; in its future influences and growth of inconceivable development and power. Railroad transportation must become a gigantic interest, and Government should certainly have a representative work or share in the system. We have seen how the nations of the old world are taking advantage of that interest to render it subservient to the support and perpetuation of their political organizations, and how vastly accumulative it is financially. Is it not apparent that the system is to become a source of grand beneficial or injurious influences to our own people; one by which the many are to be blessed or the few enriched?

Indulge me a moment further, Sir, while I barely allude to the rapid growth of railways. Twenty years ago or less the entire transportation of the roads of the United States did not exceed five million tons, and the total earnings twenty millions. The tonnage last

year amounted to one hundred millions, and the earnings three hundred millions. The increase moves with inconceivable celerity, and doubles on its pace year by year. By the close of the present decade it is calculated, from existing data, that our roads will stretch out to a distance of seventy thousand miles, and the net merchandise tonnage attain the sum of one hundred millions of tons, of a value of sixteen and a half billions of dollars. When we figure the facts involved in this complication of almost bewildering results, and find that a reduction of one-fourth per cent. a pound on twenty-five million tons, equals one hundred and twenty-five million dollars, or, if we estimate a reduction of one-half of one per cent. only on the tonnage valuation of sixteen billion dollars, it aggregates the enormous saving of eighty million dollars—a sum exceeding two-thirds of the revenue required to pay the entire interest upon our national indebtedness—we begin to comprehend the irresistible force the railroads of the nation will soon be enabled to wield. They will be beyond all computation as compared with the taxation of which the country now complains, and become sorely grinding in their exactions, or productive of relief in an eminent degree. Our national debt will become a feather merely in the scale of indebtedness; for the imposition of an infinitesimal fraction on transportation charges, so enormous in the aggregate, is able to obliterate it, or meet its payment without delay.

With regard to the location of a national road, such as I have attempted to describe, of course more or less sectional feeling must be elicited; but one thing is certain, the vast majority of our people will favor a line somewhere within the isothermal belt, which stretching around the globe embraces within its boundaries the noblest achievements of progressive manhood and civilization. The thirty-fifth parallel seems to be the favorite. Government owns the lands along that line, and the necessary materials for the construction are found plentifully scattered throughout. Wood, iron, coal, copper and lead, are either immediately on the line or close at hand. The bed is already formed by nature. Cuts and fillings will be but few. The climate is equally below the snow line and above the zone of heat. It is the [cheap, the natural, I may add, the popular course to the Pacific. Double tracked with steel rails, free to every one, and accessible at all seasons, the conceptions of the eminent men of the past in relation to the trade of India, and the eminent men of the present in relation to the future of our great nation, would be realized. We should have a work in magnitude and in the blessings to be conferred, of man's conception and labor, approaching nearer than has yet been achieved, the ocean, lake and river creations of the Infinite.

I wish to offer an amendment to the St. Louis proposition, which will make it read as follows :

WHEREAS, Another Pacific railroad is imperatively demanded to produce a healthful competition whereby the rates for freight and travel may be reduced, and greater accommodations secured for the public ; and

WHEREAS, Justice to the whole country demands that the United States Government should grant such liberal and needed legislation as will secure the most speedy construction of another great national Pacific railroad on a more central national route, which will more equitably subserve the interests of the whole country ; therefore

Resolved, That the Executive Committee be instructed to memorialize Congress to grant such liberal legislation as will secure the earliest possible construction of a more national central Pacific railroad. Said road to be built by the United States Government of double track, and on which every one shall be permitted to draw his trains, whether as an individual or an incorporated enterprise, under similar conditions as lines of boats are allowed to navigate the canals of the country, taxing the tonnage passing over at a sufficient toll to maintain the road-bed in perfect order.

Mr. GANO, of Cincinnati : Before the question is put I desire to state my own position in relation to it. I regard the address just delivered as one of the ablest to which we have ever listened in connection with the subject to which it relates. The general subject is one which has had the attention of some of the prominent minds of our own country, and it is also receiving attention in England, as a possible means of removing some of the evils suffered at the hands of corporations, which gradually are becoming almost all-powerful. But in regard to the resolution which is submitted, would it not be better for us simply to declare now in favor of the general principle and not seek to apply it to any particular route ? I should prefer a declaration of this Board upon the principle to be made applicable to all improvements of the kind undertaken by the General Government.

Mr. HOLTON, of Milwaukie : I have listened with great attention and interest to the very able speech of the gentleman who has just taken his seat, (Mr. BONNER.) I very much prefer the proposition presented by my colleague, Mr. WEST, which was general in its character and applicable to all sections of the country, and which really covered the whole question, which is one to which I hope

this Board will give its attention. The gentleman says this is a local question, but I think in the meetings of the Board, which I have had the honor to attend, beginning with the Boston Convention, we have uniformly agreed that subsidies of land should be granted, especially to this great and grand road, the Southern Pacific; but nothing more. I am utterly opposed to any money subsidies.

I shall not attempt to argue the question, but I offer an amendment in this form—"provided, that nothing herein contained shall be construed as in any way recommending or encouraging the granting of money or credit subsidies by the Government, in connection with grants of lands."

Mr. ALLEN, of Philadelphia: Is it not too late in our session to take up this important matter? I heartily concur in the views expressed by the gentleman from St. Louis, (Mr. BONNER,) but I do not agree with some of the resolutions which he has offered. I think one of them is to the effect that private individuals shall have the privilege of putting trains of cars upon the proposed road. This may do for a short route, but I do not believe it is practicable for a route of a thousand miles.

Mr. BONNER: Will the gentleman allow me a moment? Although we are very desirous that such a road should be built on the thirty-fifth parallel, I am perfectly willing, in order that the subject may be considered as entirely national, to so amend my proposition, that it shall not apply to any particular line or route, simply declaring in favor of the general principle.

Mr. ALLEN: I am not in favor of the passage of this resolution. I should like to have the matter go to the Executive Council, to be examined by them; for, as I understand, one of the resolutions is to the effect that this Board instruct the Executive Council to memorialize Congress in a certain way, for the construction of a road, on which every one shall be allowed to put his own cars. I think that opens up a great subject, one of the most important that has ever been brought before us in connection with railroads.

Mr. ROPES, of Boston: I do not like to appear as opposing any national proposition. If this is one, and if it is a proper one, I hope it will succeed; but I cannot see it in that light. I wish to state, in a few words, why I object to it, and why I cannot vote for it.

In the first place, assuming that another Pacific railroad is "imperatively demanded," as stated, I should not be willing that the National Government should lend its credit, and give away its land to such an enterprise, until, in the first place, it had paid its over-due debts, and

raised its currency to the value of specie ; and until, in the second place, it had restored the standard of values and so reduced the scale of exchangeable values, that the road should not be constructed on the present gigantic scale of prices, but on the very much reduced scale which would be sure to follow the restoration of the true standard of value. In addition to that, I cannot see that the General Government is bound to construct, in any case, more than one avenue to the Pacific. There is one Pacific railroad. That might be a national and military necessity, in a certain sense, but certainly there is no necessity for another. Then, does not the gentleman understand, that there has been an amount of "irregularity," not to say corruption, in connection with the existing Pacific railroad, which makes it very undesirable that the Government should undertake any thing of that kind again.

I like very much the idea of having a national highway, on which individuals and corporations may put their own trains of cars, subject to Government supervision ; but I am afraid, judging from the experience of the past, that it will continue to be utterly impossible to carry on such things at the public expense, and under public supervision, without an amount of corruption which will neutralize and nullify all the benefits which we expect to obtain ; at least, until we have a civil service bill, or something of that kind, which will give us a chance to have honest men in office, even if we cannot have honest men in Congress. I cannot, therefore, conscientiously advocate the appropriation of a single dollar, by the nation, in that direction at present. If, hereafter, it should appear sufficiently important, and the scale of prices should be sufficiently modified to make it expedient and desirable, I shall then be prepared to vote for it.

Mr. BONNER: This subject is one of immense magnitude, for it touches a question that affects every man, woman and child on the American continent—the question of cheap transportation. You may talk about relieving the people by reducing the rates of taxation, but the greatest relief that can be given to the people of the United States will be by reducing the cost of placing all the products of their industry in the markets of the world. I believe the idea which I have advanced is received with a good deal of favor. It is somewhat new, and I do not care to press it to a vote. I am willing to leave it upon its merits, and let it take root in the minds of the people, and grow, if there shall prove to be merit in it. I move, therefore, that the resolution, with the amendment, be referred to the Executive Council, and be continued upon the programme for the next annual meeting.

Mr. TAYLOR, of Cincinnati : I think if **Mr. BONNER** will withdraw that motion I have framed a resolution which will meet the views of the house :

Resolved, That inasmuch as liberal aid, in lands, money and endowments, has been extended by the National Government to the Union and Central Pacific railroads, and inasmuch as very liberal grants of land have been extended to the Northern Pacific railroad, it is only just that the Southern Pacific railroad should receive public lands, in aid of its construction.

I claim that we should extend liberal aid to the Southern Pacific railroad. Any other legislation will have a flavor of sectionalism about it, which we ought to avoid.

Mr. BONNER : For the express purpose of nationalizing the proposition, and of letting the idea go abroad upon the merits of the principle involved, I struck out the section which seemed to give the resolution a sectional character. If the gentleman will introduce his resolution, after action has been taken upon mine, I will vote for it. My motion was, that the whole subject lie over.

The question was put on **Mr. BONNER's** motion to refer the subject to the Executive Council, and it was carried.

Mr. ABLE, of St. Louis : The next regular proposition (in relation to the southern levees,) comes before the Board from the St. Louis Merchants' Exchange. I move that that proposition be postponed until our next annual meeting, for the reason that our southern brethren are not here to participate in the discussion of this subject. I hold that they have a right to be heard upon it.

Carried.

Mr. ROPES : I desire to call up the twelfth proposition, introduced by the Boston Corn Exchange, and I propose to amend it by incorporating the resolutions of the Cincinnati Chamber of Commerce so that it will read as follows :

Resolved, That the interests of the country demand such a revision of existing tariff laws of the United States as shall result ;

1. In making them more simple and more uniform.
2. In making them productive of the largest revenue.
3. In making them least burthensome to the whole people.
4. In making such protection as may result, purely incidental, without discriminations in favor of any interest.

I do not propose to discuss this question, but merely to say, in a very few words, what principle I think ought to guide the revision of the tariff; and if we can agree upon that principle, we shall be a great way advanced toward harmony. It is very certain that the present state of antagonism between what are called protectionists and free traders cannot continue. There must be a collision between them sooner or later, and one or the other side must give way. Now, Mr. President, I and others who are interested in this question, and hope we are able to look upon both sides, desire that the collision, when it comes, should not result in extreme measures in either direction. We believe that there may be great damage done to the interests of the country by precipitous action in favor of free trade; but on the other hand, we are satisfied that the existing duties for protection must be reduced, rather than increased, and we are anxious that they should be reduced, on a proper basis, on proper principles and in a moderate degree.

I will only enunciate these principles, and say nothing in defence of them. There should be nothing like a compromise between protected interests in different parts of the country. Massachusetts should not say to Pennsylvania, "If you will go for the utmost possible tariff on cotton and woollen goods, we will go for the utmost possible tariff on iron, or anything else." Neither should we say to New York, "We will protect your salt duties, if you will protect something else for us." There should be no such illegitimate compromise between various petty, or perhaps gigantic interests in the country. But the only question should be, what is for the greatest good of the people of the United States, taken as a whole? A principle is wanted adapted to all parts of the country, and not to any one particular part, on the preposterous idea, that because one part has been especially favored by Providence in immense mineral deposits, or water power, or anything else, it should claim, in addition to these natural advantages, an enormous amount of legislative protection.

That is the first principle, and the second is this; that hereafter, it will be utterly impossible for any length of time, for any legislature in this country to adjust the tariff, on the principle of the interest of the producer rather than that of the consumer; and this for obvious reasons. The producers throughout the country are, as a general rule, the wealthy and powerful class, but they are in a very small minority as compared with the other class—the consuming class, which embraces the whole population. Even the working man, who, in consequence of high protection, may be expected to get higher wages, has a family to support, and that family, without producing

anything, is compelled by protection to pay an additional cost for everything it consumes. Again, there are many interests in this country which cannot by any possibility be protected. A merchant cannot be, never has been, never will be, never will ask to be, protected. An importing merchant, instead of being protected, pays heavy duties upon his imported goods. There are many kinds of domestic manufactures which cannot be protected. The farmer cannot possibly have protection. All he asks in this assembly, or anywhere else, is an opportunity to get his goods to market at the cheapest rates, without the intervention of an expensive monopoly, whether in the shape of a canal, railroad, or anything else.

I say, therefore, that these two principles must be paramount, and I would like to have them adopted substantially as they are enunciated in the resolution which I have borrowed from the Cincinnati Chamber of Commerce, merely taking the preamble from the Boston Corn Exchange; purposely leaving out all mention of the three articles there specified, because I do not want this debate to have a sectional character. I am in my way a protectionist; my friend Mr. WETHERILL in his way is a free trader, but in very different degrees, and we want to meet on common ground. If we can meet on the ground of justice and equity, and if a tariff can be adjusted that will meet the universal assent of the conscience of the nation, such an adjustment will be permanent, and peace so to speak, will be restored among the complicated interests of the country.

With these remarks, and in the earnest hope that we shall not stultify ourselves by calling this a political question, and so refusing to take action upon it, but shall give utterance to our opinions, and come to a fair and honest vote, I leave the subject to the Board.

Mr. ABLE, of St. Louis: I rise to a privileged question; I ask a suspension of the business before us, in order that we may take action on the following resolutions:

Resolved, That the National Board of Trade takes this occasion before adjournment, to return to the Board of Trade of Buffalo, the Young Men's Association, the Wadsworth Manufacturing Company, the Historical Society, the Society of Natural Science, the Art Gallery, the Buffalo Club and the citizens generally, its warmest and most heart-felt thanks for their generous and most bounteous hospitality and for their unceasing attention to the entertainment and comfort of the delegates during their stay in this flourishing and beautiful city.

Resolved, That the thanks of the Board are also due to the press of the city, and to the telegraph companies for the free despatch by them of the social messages of the members, and to the various railroad companies who have extended the courtesies of their lines to the members of the Board.

Resolved, That the thanks of this Board are hereby tendered to the corporation of the city of Buffalo for the use of its commodious Hall for its sittings.

MR. ABLE: *Mr. President*,—I move the resolutions, because, so far as I am personally concerned, I have just enjoyed one of the pleasantest weeks of my life. The citizens of Buffalo have come up fully to the highest standard of American hospitality, which I think can vie with that of any other people on the face of the earth; and, as a western man, who has spent but a few days in any of the eastern States, I should be doing injustice to my own feelings if I did not return to them my most cordial thanks. This visit has shown me much that I never knew before. It has shown me, that in a city of one hundred and thirty thousand inhabitants, the arts and sciences, education, and everything that goes to make up a complete social system, are much further advanced, than in my own western city, numbering over three hundred thousand inhabitants. When I go home, if not a better man, I certainly shall be a wiser one, in regard to what my neighbors in the State of New York enjoy over us who live in the great West.

Permit me also to return my thanks to the delegates present at this meeting of the Board, for the able manner in which their deliberations have been carried on; I have never had the pleasure of meeting with the Board before, and I must say, during much experience in attendance upon bodies of a similar character, I have never seen a body where the discussions were conducted with more dignity, and I may say, with more intelligence; Sir, I will not except even the Congress of the United States.

And to you, Mr. President, whose gray hairs and whose pleasant smile always assure me that you have passed that period of life when men are usually moved by motives of ambition, and who have chosen to give the remainder of your life to that vocation in which you suppose you can be of the most service to your country and to those with whom during so many years of active business life you have been associated, let me tender my grateful thanks for the able and courteous manner in which you have presided over the delibera-

tions of this body. And in saying this, Sir, I know I am expressing the views of every member of this Board, not only at this session, but at those which have preceded it.

I should also, Sir, be doing violence to my own feelings, if I did not return to the learned and eloquent gentleman from Boston, (Mr. ROPES,) my thanks for the light thrown by him upon all the subjects which have come before this Board, upon which he has spoken; and I say this, Mr. President, not as a compliment to him personally, but particularly because he comes from the great city which created this nation—the city of Boston, and from the great State of Massachusetts. I am one of those western men, who harbor no sectional feeling; my sympathies are broad enough to embrace the whole land, east and west, north and south; I hope that the future deliberations of this Board will be characterized by the same friendly feeling, the same intelligence, and the same fairness in debate which have marked the proceedings of this session, and which, if continued, will distinguish it as one of the first deliberative bodies of the age in which we live.

Mr. THOMPSON, of Baltimore: *Mr. President*,—In rising to second the resolutions of my friend from Missouri, I wish to say but a few words. Appreciating the qualities of the kind hearts and the ready hands which have anticipated our every want during our stay in Buffalo, I wish to say to our friends, individually and collectively, that I endorse every word of my friend from Missouri, and in addition to that, I ask permission of my friend from Pennsylvania, (Mr. GRUBB,) to borrow his very eloquent speech at the banquet on Thursday evening, and add one word.

Mr. GRUBB, of Philadelphia: Well.

Mr. THOMPSON: *Well done!* (Laughter and applause.)

The resolutions were then agreed to unanimously.

Mr. HOLTON, of Milwaukie: I should do violence to my own feelings, having sat now for three years under the chairmanship of our President, if I did not bring forward the resolution which I hold in my hand:

Resolved, That the thanks of the Board are hereby tendered to our honored President, for the faithful, impartial, and very able discharge of the arduous duties imposed upon him by his office, and that we hereby earnestly express the hope that it may please God to preserve his life, his health and his happiness.

I move that the vote be taken by rising.

Mr. TAYLOR, of Cincinnati: I have great pleasure in seconding that resolution.

The resolution was adopted unanimously, every member of the Board rising.

The PRESIDENT: Gentlemen of the National Board of Trade,—I think if I failed duly to appreciate the honorable testimonials which you have just given me by your vote, I should possess a heart of stone. The sentiments contained in the resolution, the cordial feelings that have been expressed during the session towards me, the disposition manifested on every side to promote my comfort and happiness, have been so unanimous, that if I could indulge a wish for anything more, I could scarcely find words in which to give such a wish utterance.

You have four times honored me with the presidency of this Board. You did so in Philadelphia, when the Board was established, most unexpectedly to myself, for up to the moment of my nomination, I had no thought that I was supposed to be qualified, either by habit or by education, to discharge these duties. I have had the good fortune, on all these occasions, to meet with the approbation of my brethren in business throughout this broad land, and I assure you, gentlemen, that I have participated in the proceedings of this body with more heartfelt satisfaction, with more hope of good results, with higher satisfaction in the prospect of what it may achieve, than in connection with the action of any other public body that I have known in the United States. I do not mean to reiterate, gentlemen, the compliments which have been paid to you by the gentleman from St Louis, (Mr. ABLE,) but I mean to say that I agree fully in everything that he has uttered about the members of this body. Their deliberations have been characterized by the widest knowledge of the subjects of which they have treated; the opinions expressed have been clothed in the most proper language; the speeches on the several topics discussed have been condensed and pertinent, thus admonishing public men everywhere, that in order to get at the merits of a question it is not necessary to prolong a speech through two or three days; and everything which has fallen from the members of this body, upon the great questions which have been discussed here, have, I assure you, gentlemen, been eminently instructive to myself. All of us must, to a certain extent, be influenced by the local opinions and local prejudices that surround us, and it is necessary for us, in order to modify those local opinions and to overcome those local prejudices, to meet together and compare opinions, and strive to learn what can be said upon the

other side of these questions ; and after we have thus striven, to ascertain where the truth lies.

In a long life, spent altogether in this country, in a life during which I have witnessed many of the trials of our country, both in foreign and domestic wars, in seasons both of commercial prosperity and of adversity, I may, perhaps, say, that I have seen every phase under which a country could be tried, and I have the satisfaction now of feeling, having arrived nearly at that period which the Psalmist says is the extent of human life, that this country has borne all these trials successfully, and has come out of each of them, as the giant rises, after every fall upon the earth, stronger for the future.

I think that the great influence of this Board, gentlemen, is to arise quite as much from its deliberations as from its votes. Any vote that we can give is merely recommendatory ; but our discussions, like the power of the press, exerted throughout the land, expressing the feeling of the business men of the country, must penetrate, not only to the hearts and minds of those who are to legislate for us, but also into the hearts of the people. The people of these United States, diversified as they are by birth, by training, and by pursuits, are, in my judgment, the most intelligent and acute in the world. They are able to sift and to analyze everything that comes before them through the press ; they are competent to form their own opinions on the great questions which agitate the public mind ; and those who wish to agitate the public mind in the right direction should forego all appeals to passion, to prejudice, or to self-interest, and should rely for their success upon the power of truth. No man, for the purpose of advancing any interest which he wishes to promote, should forget that the only sound foundation upon which that interest can rest, is the power of truth. (Applause.) We are here, gentlemen, for the dissemination of the truth. I hope we shall long, either in the persons of those present, or of those who are to succeed us, meet in the various cities of the country, in order thus to consider what is the truth, and to disseminate it ; and if the future deliberations of this body shall be characterized by the same intelligence and the same desire to arrive at the truth as has been manifested upon this occasion, I think I may say, in the language just quoted by the gentleman from Baltimore, " Well."

Gentlemen, I thank you most heartily for all the honors you have conferred upon me, and I can only add to the prayer just offered in my behalf, my own earnest hope that you may be blest in your outgoings and in your incomings, and that the various sections of country from which you come may be blest also with the prosperity of the

various interests which lie at the foundation of their welfare. (Loud applause.)

Mr. WETHERILL, of Philadelphia : I should like to know whether the proposition of the gentleman from Boston is now before us.

The PRESIDENT : That is the business now before the Board ; the proposition of the Boston Corn Exchange, with the amendment proposed by **Mr. ROPES**.

Mr. WETHERILL : I am fully aware that it would be entirely out of place, after so pleasant a valedictory, for me to make a speech upon so dry a subject as the tariff. It would be like a clergyman going into church, and proposing to deliver a sermon after the benediction had been pronounced. Therefore I will be very brief.

I desire to say, first, that in my opinion, by a fair and wise tariff, the individual merchant is greatly benefitted, and commerce also. I say so upon the broad ground that whatever will add to the wealth and resources of the country, will benefit commerce ; and, I believe, that fair, honest protection, and a fair, honest adjustment of the tariff, would have that effect.

It is a little singular that the gentleman from Boston, (**Mr. ROPES**,) should say that agriculture is not protected by the tariff. Does the gentleman forget that the woollen interest, amounting to one hundred and seventy-five millions of dollars a year, is largely protected by the existing tariff ? The highest duty imposed for the protection of that great agricultural interest, amounts to one hundred and twenty-one per cent. ; the lowest duty, about forty-one per cent. ; the average is fifty per cent. And all this, in order that the fleece of thirty-five millions of sheep in Ohio and elsewhere may be protected. I should like also to ask my friend from Detroit, (**Mr. HAWLEY**),—perhaps he may know something about it,—whether the barley growers are not protected by a duty of fifteen cents a bushel upon foreign barley ? And even with that duty of fifteen cents, barley has been brought from Canada, to the amount of four millions of dollars a year. I will admit, that if the duty on barley is taken off, some brewers along the line may be benefitted, but at the same time the great agricultural interest which gets that protection would lose a great many more dollars than were received from the duty last year.

In regard to hemp. Hemp paid last year a duty of two millions of dollars. The highest duty was fifty per cent. ; the lowest, thirty per cent. ; average, thirty-eight per cent. That is another agricultural interest which my friend from Boston, (**Mr. ROPES**), overlooked, and

which is protected to that extent, although he said the agricultural interest was not protected. So as I go through the list, I find that the interests concerned in flax, hides, hemp, lead, and wool, amounting to two hundred and twenty-two millions of dollars, are protected at the average rate of forty-seven per cent.

But I am afraid I am getting into the dry sermon after the benediction, and I will not say another word, except this, that I believe this is a subject that should be referred to the Executive Council. I regard it as an important matter, and one that should be considered at every meeting of this Board, in order that our tariff may be adjusted upon a fair and equitable basis. In that view, I am perfectly satisfied to move that the resolution go to the Executive Council, with one that I will read:

WHEREAS, By the Government continuing in its present course there is strong reason to believe that the national tax gatherer may be driven from the door of almost every citizen; and

WHEREAS, By a wise adjustment of the tariff which will put a duty only upon those articles which we could dispense with, known as luxuries, and on those that we use more than we produce, we can raise a sufficient revenue, reduce our indebtedness, and thus fulfil all our obligations; therefore,

Resolved, That this Board recommend to Congress, the passage of a bill having in view a wise readjustment of the tariff in the interest of a true revenue reform, namely, a sufficient revenue, an encouragement to home productions, and an employment of labor at living wages in contrast with the pauper labor of the old world.

Mr. HAWLEY, of Detroit: I will not, at this late hour, attempt to make any extended remarks, but I beg a few moments. The gentleman from Philadelphia, (Mr. WETHERILL,) has seen fit to put a question or two, to which, in almost as brief a time as he occupied, I will endeavor to reply. He has referred to the subject of wool, to show that the agricultural interest has received protection. Mr. President, what has been the practical result of stimulating the wool-growing interest? Did that amount of stimulus which was thus afforded benefit the farmer? Did it not rather reduce the price of wool, by reason of the excess of production to which it tended? And let me say, that the same measures which reduced practically the price of wool, and the remuneration which the agricultural interest derived from its culture, at the same time deprived the cloth manufacturers of this country of the ability to compete with the cloth manufacturers

of other countries. Let me say, that the woollen manufacturers, in a large body, have testified that they can give more money for American wool, when, by reason of a proper tariff, the wools of other countries can come in to be blended with American wool, and they can be enabled thus to manufacture certain grades of cloth; that interest is now crying out for, if you please, free trade. Let me quote the remarks of two gentlemen at the late annual meeting of the Woollen Manufacturers Association of the Northwest, which met at Chicago:

“Mr. SHIELDS had no goods on hand. His opinion was, that they must come to free trade. Everything connected with woollen manufacture, dyestuffs, etc., should come in free.

“Mr. COLEMAN said he had always been a free trader; that he wanted a revenue, not a protective tariff; they would all come to it within five years.”

Thus it is that the legislation of Congress, instead of benefitting the agricultural interest, in relation to wool growing, positively did it an injury, and at the same time, it has deprived our woollen manufacturing interest of anything like prosperity. Never has it been in so depressed a state as at the present time.

Mr. President, there is a large surplus of agricultural products grown in this country, possibly, to the amount of four hundred millions of dollars. They have to seek a market abroad, and the value of these products is determined by what they will bring in the foreign markets. You cannot by any legislation help the farmers in this matter. If, for a time, under the encouragement of high tariff duties, they go, to a great extent, into the culture of wools, or into the growth of barley, they will quickly glut the market with these products, and will have to return to those articles which seek an outlet to foreign countries. It is not, then, really protection. It is a delusion when gentlemen talk of protecting the agricultural interest of this country. It is an interest which needs no protection; it only asks fair play, and an open field. It asks that we shall not depress it by subtracting from its earnings, to carry along certain interests which cannot be made profitable otherwise, and to give enormous profits to industries that cannot maintain themselves in this country, without tariff legislation.

I take issue as a revenue reformer, as a revenue tariff man, with the protectionists, at every point, and I do trust, that on some other occasion this whole question will not be cut off by the previous question, or any other motion of this body looking to the stoppage of discussion, but that we shall consider it fully and candidly upon its merits.

Mr. ROPES : I merely want to say, that since as I humbly conceive, we stultified ourselves on Friday, by shelving the question, it seems to me, we should not be afraid to "count noses," as is sometimes said, and see how many are willing to vote in favor of a well-considered revenue reform; for that is the whole substance of the resolution which I had the honor to offer. My object was, not to have the matter referred to the Executive Council, but to be informed of the opinion of the members of the Board. They have heard the proposition read, and a little discussion, and the very fact that that discussion has taken place, has its significance. I could answer Mr. TAYLOR, and he could answer me, but what good would it do? We all want to go home. But let me take the opportunity to say, that the personal compliments paid me by my friend from St. Louis, (Mr. ABLE,) so overwhelmed me, that I should have been glad to hide my diminished head in seclusion. I am willing to accept his words, however, in behalf of the noble old State of Massachusetts, the two hundred and fiftieth anniversary of whose settlement we are to celebrate there in a few days. I believe I may say, that that State has, throughout its entire history, to the best of its ability, sought to promote the progress and general welfare of this country.

I hope that this matter will not be referred to the Executive Council, but that we shall be allowed to vote upon it, according to our individual views.

Mr. WETHERILL : My reply is, that it is not a very bold proposition, to ask a vote of the Board on this question, with only half the members here.

Mr. ALLEN : I hope, Mr. President, that the vote will be taken on Mr. ROPES's resolutions. I shall vote for them. I do not think there is anything wrong in them. I am a protectionist, but I believe the tariff should be revised, and I believe that every business man in this country thinks so too. I shall vote for those resolutions with all my heart and soul.

Mr. GRUBB, of Philadelphia : I am perhaps the strongest protectionist on this floor, and my convictions have been formed as an importing merchant. I rose as Mr. ROPES sat down, to second his resolutions, and I move the previous question on them. I hope they will be carried.

The question was put on the motion to refer, and was lost.

The PRESIDENT : The question now is on the amendment offered to the amendment, proposed by Mr. WETHERILL.

Mr. WETHERILL : I give notice, that I do not call the yeas and nays, because there is not a quorum of the Board present. I want that put upon the record.

Mr. ROPES : May I suggest to **Mr. WETHERILL**, that that is a reason why he should call the yeas and nays, in order that he may know who is present, and who has voted.

Mr. WETHERILL : I want it known that the majority of this Board do not vote either yea or nay upon this question.

A DELEGATE : I think there is a quorum present.

Mr. WETHERILL : I had hoped the motion to refer would prevail; I prepared a speech upon the tariff question, and I think it would satisfy any free trader that he is wrong, but I am too modest to inflict it upon this body. I do not want to be forced to a yea and nay vote, when a majority of free traders are in the hall.

Mr. ROPES : I did not know that; I am so blind that I could not tell who was in the hall; but I will say to the gentleman that he will undoubtedly have ample opportunity to read his speech a year from now.

The question was then put on **Mr. WETHERILL's** amendment, and it was lost.

On the question of the adoption of **Mr. ROPES's** amendment, **Mr. BAGLEY** called the yeas and nays.

The vote was as follows :

Yeas : Messrs.—

Able,	Goshorn,	Marsh,	Taylor,
Allen,	Grubb,	Mytinger,	Thompson,
Bonner,	Gunther,	Ober,	Wessel,
Cook,	Guthrie,	Phillips,	West,
Curtiss,	Hawley,	Plumer,	White,
Davis,	Hazard,	Ropes,	Williams,
Fraley,	Holton,	Stanard,	Young.—34.
French,	Kirkland,	Shryock,	
Gano,	Lathers,	Sneath,	

Nays : Messrs.—

Bagley,	Morris,	Stranahan,	Wetherill.—5.
Buzby,			

Mr. ABLE, of St. Louis, on giving his vote said : I will take the half loaf offered to me, and will vote yea.

Mr. SHRYOCK, of St. Louis, said : The proposition does not quite suit me, but I will vote yea.

The resolutions as amended were then passed.

Mr. ABLE made some remarks complimentary to the gentleman from South Carolina.

Mr. WETHERILL : I rise to a point of order. I desire to ask how many gentlemen voted upon the last question.

Mr. HOLTON, of Milwaukie : Will the gentleman allow me to offer a motion ?

Mr. WETHERILL : I yield to the gentleman from Milwaukie, and will state my point of order afterwards.

Mr. HOLTON : I feel constrained to offer a resolution, that there may be some remedy devised if possible to meet the evil which now exists in connection with the premature departure of delegates from our meetings, and to facilitate the transaction of our business hereafter ;

Resolved, That the Executive Council be instructed to take into consideration the propriety of changing the time of holding the annual meeting, as to the day of the week on which it is convened, and to report at its discretion, any suggestions in regard to the matter.

The resolution was agreed to.

Mr. SHRYOCK : I offer the following resolution :

Resolved, That in the future meetings of the Board, no member shall leave for his home during the continuance of the sessions, without the consent of the Board, and if any delegate shall do so, he shall be ineligible to take his seat again for one year.

Mr. KIRKLAND, of Baltimore : I move an amendment as follows :

Resolved, That the Executive Council take into consideration the propriety of a By-law, providing that every delegate who presents his credentials at a meeting of the Board shall be expected to remain until the final adjournment, unless called away by unforeseen circumstances.

Mr. SHRYOCK : I accept the amendment.

Mr ROPES : I offer an additional resolution.

Resolved, That the Secretary be instructed, in the call for the next meeting, to request that no delegates be sent, but such as expect to remain to the close of the sessions.

I think if we try that method and it shall work well, we may avoid the necessity for the other.

Mr. BAGLEY, of Detroit : I rise to a point of order, as to whether we have a quorum here under our Constitution.

The PRESIDENT : That can only be ascertained by a call of the house. I am bound to presume a quorum to be present, unless the roll of the house has been called, and it has been shown that we are without a quorum.

Mr. KIRKLAND accepted the additional resolution offered by Mr. ROPES, and the resolutions were agreed to

Mr. LATHERS, of Charleston : I propose to make no speech but merely to read some resolutions which I think will be entirely acceptable, and ask that they be referred to the Executive Council.

WHEREAS, The legal tender notes which constitute the most sacred obligation of the Government, have been issued as a forced loan ; and

WHEREAS, Notwithstanding the act of Congress passed by the House March 12th and by the Senate March 15th, 1869, wherein it was specifically declared that it is the duty of the Government to redeem the said legal tender notes at the earliest possible moment; up to the present time no specific plan has been adopted whereby such consummation is expected to be reached;

Resolved, That the National Board of Trade feel it a duty incumbent upon them to ask Congress to direct the redemption of legal tender notes at the option of the holder, by issuing in their stead bonds bearing interest at the rate of three sixty-five one hundredths (3 65 100) per cent. per annum, said bonds being made payable on demand, principle and interest, in the said legal tender notes.

Resolved, That the national banks be allowed to count said bonds in the reserve required to be kept by them according to existing laws.

Mr. GRURB, of Philadelphia: I certainly hope that this proposition will be voted down. It will benefit nobody, but those institutions which have large amounts in currency on call loans. No man who has the currency, will give it up for bonds at three, sixty-five per cent.

Mr. LATHERS: Allow me to say that the purpose of the resolutions is simply this, that an individual merchant, or a bank, having a large amount of greenbacks, may get temporary interest for them, and then in case the necessities of business shall require more currency, the bonds can be sent to Washington, and the currency obtained. In New York, and other commercial centres, after the crops have been received and disposed of, the banks find themselves with large amounts of surplus funds; they are obliged to use these, and they therefore loan them to stock-jobbers, and it is with great difficulty that merchants can obtain the requisite currency for their purposes. If this plan is adopted, the banks as soon as the crops have been moved, will be able to send the currency to Washington, and get bonds, and then when more currency is required, they will only have to return the bonds, and get the currency back again. We are very desirous to bring this currency into some form of life. If a debtor is unable to pay his debt, it is of some value to the creditor to induce him to renew his obligation.

Mr. STRANAHAN, of New York: I am opposed to this proposition, and should vote against it; but, at the same time, I should like to gratify our friend from Charleston, by allowing the reference he asks, to the Executive Council.

The motion to refer was carried.

Mr. WETHERILL: If there is no other business before the Board, I will proceed now to make my point of order, because it may cause an adjournment of this body.

My point of order is this: on the resolution as offered by the gentleman from Boston, (Mr. ROPES,) the yeas and nays were called, and the yeas and nays amounted to thirty-nine votes; and upon that vote, it was decided that the resolution had been carried. My point of order is this: Section three, Article four, of the Constitution declares, that the attendance of forty delegates shall constitute a quorum, and it appears that no quorum voted upon the proposition.

The PRESIDENT: Thirty-nine gentlemen voted upon the proposition. It was then the duty of the gentleman, if he supposed a quorum not to be present, to demand a call of the house, to ascertain whether a quorum was present or not. Twenty-five gentlemen may

vote upon a proposition, and twelve against it, and there may be a sufficient number of silent members in the house to constitute a quorum, and yet the proposition would be carried. In order to ascertain whether a quorum of the house is present, upon any question, a call of the house must be ordered.

Mr. STRANAHAN : I voted with my friends Mr. WETHERILL and Mr. BAGLEY. I think there were five of us. I feel just about as badly and just about as well as they do about it. I move you Sir, that we now adjourn.

This motion was carried, and the Board adjourned *sine die*.

APPENDIX.

I. REPORT OF THE COMMITTEE ON TRADE STATISTICS AND MARKET REPORTS.

To the National Board of Trade.

Your Committee appointed at the annual meeting, 1869, to arrange preliminary details in reference to the adoption of a system of Trade Statistics and Market Reports has the honor to report as follows :

It seemed to be the first duty of the Committee to repeat the call on constituent bodies for suggestions in reference to this important subject. This was done in an earnest manner by the Secretary of the National Board, but without eliciting the prompt attention that was desired and that was to be expected. Only two or three bodies have responded, and nothing definite from any of them has been had in reference to the form and best manner of utilizing the information sought to be obtained as to trade movements throughout the country.

The next duty for the Committee was thought to be the suggestion of plans which would tend to accomplish the object aimed at in the action and recommendation of the Board. In the prosecution of this part of what seemed to devolve on the Committee, there was an effort made to procure the suggestions of Mr. E. H. WALKER, of the New York Produce Exchange, an experienced statistician, well informed on the subject entrusted to your Committee. Mr. WALKER promptly evinced hearty sympathy with the undertaking, and kindly offered to submit his views and recommendations in writing. From the time so nearly absorbed by his pressing duties in a new and embarrassed position,—embarrassed by the very evils sought to be overcome by this undertaking,—it was difficult for him to appropriate the thought and labor necessary to fulfil his promise. He did, however, after some delay, present an elaborate paper on the subject. This paper was promptly printed and copies forwarded to each of the constituent bodies with a request that it be published in the local papers, in order that it might receive the attention of merchants, manufacturers, and business men generally, and elicit from them such suggestions as would promote the object. But no responses have come from them.

The lack of interest thus manifested by those who might be expected to extend active coöperation may be overcome by the personal visit of some one to the leading constituent bodies so as to secure, if possible, some direct action in reference to a plan and a time for putting it in operation.

As to a plan, the Committee is impressed that the general outline of one offered by Mr. WALKER, herewith submitted, for the compilation of statistics, showing the movements of the great staples of our commerce, is as good as can be had ; though further suggestions were looked for from him in regard to the matter.

Your Committee does not despair as to the establishment of this very essential feature of the association of the commercial organizations of the country ; but it is convinced that persistent effort in this and other undertakings which are necessary to make the National Board of Trade indispensable to the prosperity of our commercial, manufacturing, and, it may be added, political interests, must be made. The labor to accomplish desirable results should not be remitted, and it is respectfully recommended that the subject referred to this Committee be kept before the National Board as one of the most important with which it may have to deal. An appeal is accordingly again made to the constituent bodies through their delegates to this annual meeting in Buffalo, and it is requested that the subject be kept prominently before them for their timely action.

The Committee is convinced that the proposition to establish a plan by which the active commercial organizations of the country may exchange market reports is a most important one ; calculated, perhaps, better than any project yet submitted to cause such bodies to fraternize more fully, and more nearly to fill their spheres of usefulness to the business community.

Those who are directly concerned in having commercial news for use in their daily business are necessarily deeply interested in its accuracy and completeness, and it is not apparent that these requisites can in any other way be so fully and so satisfactorily secured as through the agency of Boards of Trade and Chambers of Commerce.

The establishment of a plan would be a very simple matter. It is only necessary that a little resolute will be brought to the undertaking to at once get it under way and bring all the commercial bodies daily, at a given hour, into communion for the exchange of reports. The information thus collected would be valuable to the associated press of the country, and it would not be unreasonable to expect that from the associated press might be received nearly, if not quite, full return of all the extra outlay made necessary by the undertaking.

A project so simple, yet promising such important results, should not be neglected, and its inauguration should, in the opinion of your Committee, be pressed upon the attention of the constituent bodies.

JOHN A. GANO,

December 6, 1870.

Only Member of Committee present.

II. DECIMAL MEASUREMENT.

THE METRIC SYSTEM: A PAPER SUBMITTED TO THE CINCINNATI CHAMBER OF COMMERCE, BY MR. C. T. JONES, AND REFERRED TO THE NATIONAL BOARD OF TRADE.

To the Board of Officers of the Cincinnati Chamber of Commerce.

GENTLEMEN: The adoption of a decimal scheme of weights and measures, based on the metric system, has been so frequently discussed, that further argument in relation to the subject seems almost supererogatory; yet, perhaps, a few practical ideas may not be considered out of place, even now.

All who have given the matter any thought, agree upon the desirability of uniform coinage, weights and measures for the whole civilized world; yet, while giving the assent of reason to the projected reform, they shrink from undertaking the work of its introduction.

Experience proves, that if uniformity in this matter is to be attained, it can only be by force of law; taking effect at such time, in the future, as to afford ample opportunity for the people to make themselves familiar with the proposed changes. We have laws, now, *authorizing* the use of metric weights and measures, but no use has been made of them in a single known instance during the past four years, since such permissive laws were enacted; and it is not hazardous much to assert that they never will be resorted to, unless under the compulsion of law. The natural repugnance of people to changing habits in which they have been educated, even though the change may be recommended by every consideration bearing upon the question, will always present an insurmountable obstacle to a spontaneous change.

But additional impediments are probably interposed in this case: (1) by the retention of the terms of a foreign language; (2) by the great diversity of the integral weights and measures from those to which we have been accustomed; and (3) by the multiplication of useless and perplexing tables for special purposes.

The nomenclature of a system may not seem to be of great importance, but it is a clearly divined fact, in the history of mankind, that people assent more readily to a change of value, in these matters, than a change in name. An increase or diminution of the yard, the gallon, or the pound, is remembered like the alteration in the price

of commodities which they are accustomed to buy or sell ; but such alteration in the value of the standard, accompanied by a change of name to the terms of a foreign language, would be a source of unending perplexity and annoyance. No one has ever thought of changing the denominations of our coinage for French terms, nor does there appear any stronger reason for changing the terms of a new or improved system of weights and measures, than for adopting new terms for our coinage. Beyond a doubt, the retention of a nomenclature to which the people have been accustomed, will render the introduction of a system of weights and measures based upon the metric system, much easier than if the French terms of that system were adopted by law.

The metric scale, *in toto*, is objectionable on account of the fractional uselessness of some of its units. For instance, the *gramme*, the unit of weight, is equal to only about one four hundred and fiftieth ($1:450$) part of an avoirdupois pound ; whilst the kilogramme, which is the practical unit of use, is equivalent to about two and one-fifth pounds, avoirdupois.

And the introduction of special tables for land or square measure, for apothecaries' weights, etc., when we are endeavoring to simplify our system by abolishing some of the tables now in use, can tend only to burden the system anew with tables of at least doubtful utility, and in violent contrast with the simple and harmonious scheme desired. Our table of dry measure, for instance, is rapidly becoming obsolete, with a strong feeling in favor of its abolishment ; most of the articles for which it was formerly resorted to, being now handled by weight.

A careful consideration of the subject leads me to the conclusion, that measures of length, weight and volume, are amply sufficient for all the business of life, and that the decimal characterization of these, and the abrogation of all other measures, will so simplify all business accounts, and the study and practice of arithmetic, as to be greatly beneficial to the whole human family. With the adoption of practical standards for use, as units in each of these measures, the extension of the tables by decimal numbers above the unit, is evidently unnecessary. One hundred and fifty yards, or five thousand quarts, are expressions more congenial to our tongue than fifteen dekayards, or five kiloquarts would ever be.

To render these suggestions clear and practicable, the draft of a law to establish a system of weights and measures, is herewith transmitted, for the purpose, if it meets the approval of the Board, of being brought before the next meeting of the National Board of Trade, and presented to Congress, with such influence as it may

command or seem to deserve. It will be seen that the metric scale has been adopted, exactly, in measure of length and volume, retaining the nomenclature to which we have been accustomed; the yard being used instead of metre, and the quart instead of litre. In regard to weights, it seemed most desirable to have the pound correspond to a half kilogramme, so as not to make too great a departure from its present value. By this arrangement, the yard and the pound are both increased by about ten per cent., and the quart by about five per cent.

This plan is simple, concise, practical and efficient; involving no use of unfamiliar terms, nor perplexing changes of value, and therefore, raising no material impediments to its adoption; while the proposed change will secure all the advantages of the metric system, without entailing on us the defects of that system which partake largely of the peculiarities of our present obnoxious scheme.

The draft of a law to regulate the silver coinage of the United States, is also transmitted herewith, for your approval and urgency upon the National Board of Trade, should its provisions meet your views. The unification of coinage is to be regarded only as the complement to the unification of weights and measures, and of but little if any importance without the latter; although the efforts to secure an uniform coinage for the civilized world have been more successful than those in favor of the more important object. France, Italy, Belgium and Switzerland, in 1865, agreed upon an uniform coinage of both gold and silver, of which the gold coins of each nation should be legal-tender in the others.

It is unfortunate that the weights of the French gold coins are unfitted for decimal characterization, and deprived of any definite relation to the metric system. This ensues from the arbitrary law of that nation establishing the value of gold at fifteen and one-half times that of an equal weight of silver; thus, in effect, fixing their standard by the inferior metal instead of the superior.

The new French silver coinage is simple and efficient, and in weights, depending directly upon the metric system, as the following tables show:

$\frac{1}{2}$ franc,	835 fine	25 decigrammes,	or	38, 58 : 100	Troy grains.
1 "	"	5 grammes,	"	77.16	" "

which is just equal to one centipound, or one hundredth part of a pound, of the new weights proposed in the bill accompanying this note:

2 francs,	835 fine,	10 grammes,	or	154.32	Troy grains.
5 "	"	25 "	"	385.80	" "

The value of these coins with reference to United States gold coins, is nine, eighteen, thirty-six, and ninety cents respectively.

The gold coinage on the contrary, depending as it does, on the arbitrary relation established by law between gold and silver, exhibits the following anomalous system of weights; utterly inconsistent with the metric scheme, and unavailable for decimalization.

1 gold franc, 900 fine,	10:31 grammes, or 4, 98:100	Troy grains	\$ 0,19,452
5 gold francs, "	1, 19:31 "	24,89 "	0,97,26
10 " "	3, 7:31 "	49,78 "	1,94,52
20 " "	6, 14:31 "	99,56 "	3,89
25 " "	8, 2:31 "	124,45 "	4,86,3
50 " "	16, 4:31 "	248,90 "	9,72,6

Thus it will be seen, that to make our half-eagle correspond with a 25 franc coin, will require a depreciation of our coin by about three per cent., and that to assimilate our silver coinage to the French, will require its depreciation or debasement to the extent of ten per cent. A bill is now before Congress, proposing to assimilate our gold coinage to that of France, having the same standard of fineness and weights; and, notwithstanding the vulgar character of the weights, it is, doubtless, desirable that such assimilation should be effected, both in consideration of the adoption of the system by so many nations, and that it involves so slight a change in the value of the American half-eagle, and the English sovereign or pound.

In the United States, where the standard fineness of the gold coinage corresponds exactly with the French standard, (900 fine to 100 alloy,) and where the values of all coins, both gold and silver, so nearly approach the values of the French coins, the transition would be easy. In England, however, the difficulties are numerous. The standard of qualities there is higher than in any other country in the world, being about nine hundred and twenty parts fine to eighty of alloy in both gold and silver coins. To decimalize their vulgar and incongruous system; to define a new nomenclature; and to reduce their standard of fineness, are all essential to the attainment of the end proposed; changes so extreme and radical as quite naturally to evoke a wide discussion. But no doubt can be entertained of the ultimate conversion of the present plan to one susceptible of decimalization. A scheme proposed by Mr. ADAM DAVIDSON of Nairn, Scotland, is worthy of a passing notice for its simplicity, and the facility it affords for translating the terms of the present system into the terms of that proposed. This is effected by merely retaining the farthing as the unit of value, and increasing the number in the pound

or sovereign from nine hundred and sixty to one thousand, with the following denominations:

	1 farthing (as at present) equal to	£0	0s	0½d
10 farthings.....	1 cent, equal to	0	0	2½
10 cents.....	1 dime " "	0	2	1
10 dimes.....	1 prime, " "	1	0	10

The retention of the farthing as the unit secures easy conversion of old into new terms, and provides for exact compliance with all contracts and all tolls, taxes, postage, etc.; and while the prime would be the unit of the gold coinage, corresponding with our half-eagle and the French coin of 25 francs, the smaller denominations could readily be harmonized, by division and multiplication, with the new silver coinage of France, Belgium, etc. A change of terms in Mr. D.'s scheme would be desirable; since we have used two of them ever since our mint was established, and the cents and dimes in his plan have each about five times the value of our coins of the same name.

But all legislation and debate on the subject of international coinage, both in England and the United States, have hitherto related solely to coins of gold. Assenting to the propriety of restricting international coinage to one standard, (gold,) it yet seems highly important that silver and other coins should be made to harmonize with the subsidiary coins of France, Italy, Belgium, etc. The values represented by such subsidiary coins are precisely the values by which almost all commodities, all labor, and all expenses are estimated; and if the great object of international coinage be to simplify and facilitate commercial and personal intercourse, uniformity or harmony in the small coinage is of the utmost importance. Even if such subsidiary coins have no legal-tender quality, or if that quality is limited to insignificant amounts where coined, yet being in universal use as prices of commodities and labor, the unification of such coinage, with definite relation to the gold coinage, will exert a most beneficial influence in rendering any change comprehensible and in facilitating the estimation of accounts.

The bill accompanying this communication is presented under the impressions herein set forth, and is intended to make our silver coinage identical with that of France and the other parties to the quadripartite convention of 1865, both in fineness and weight; though we may find it necessary to strike some coins of different values from those of European nations.

The object in preparing these bills is not solely to present my ideas of a practicable way of effecting a change, but to open that way in a form upon which others may work and perhaps improve. Memorials to Congress expressive only of ideas, but without a formula to vitalize such ideas, rarely effect the object desired.

Entertaining a high estimate of the benefits to accrue from the substitution of a simple decimal system of weights and measures for our present arbitrary and imperfect system; and recognizing the advantages to enure to the civilized world from uniformity in such measures; it seems to me that a just regard for our own interests and the welfare of the whole human family, demands the speedy adoption and establishment of such a system.

France, Belgium, Italy and Spain have now one uniform system of weights and measures. In two or three years more the same system will be established by law throughout a great part of Central Europe, where its use is now permissively legalized.

The adoption of an international coinage, as I have already stated, is only of secondary importance to the establishment of international weights and measures. The unification of the coinage would follow the unification of measures, as a natural and inevitable consequence. But no cause for regret can be found in the prior change of our coinage, even if it be somewhat debased, provided the change of our weights and measures be speedily effected; and the object of the bill is, as you will perceive, not merely to recast the system, but to make its adoption compulsory at a specific date.

Trusting that these suggestions may meet your approval, and receive your support, I am, gentlemen,

Your obedient servant,

C. T. JONES.

A BILL

TO ESTABLISH A SYSTEM OF WEIGHTS AND MEASURES.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled:

SECTION 1. That from and after the first day of July, A. D., 1875, it shall be unlawful to use any other measures than the following, viz :

MEASURES OF LENGTH.

	1 Millyard	(000.1 yard)	.....equal to 0.0394 inches.
10 Millyards.....equal to	1 Centyard	{ 00.1 " }	..... " 0.3937 "
10 Centyards.... " "	1 Deciyard	{ 0.1 " }	..... " 3.937 "
10 Deciyards.... " "	1 Yard	{ 1. " }	..... " 39.37 "

The yard corresponding with the metre in the metric system, and containing thirty-nine and thirty-seven hundredths inches of the present standard.

MEASURES OF VOLUME.

	1 Milliquart	(000.1 quart)	containing 00.61 cubic inches.
10 Milliquarts.....1	Centiquart	{ 00.1 " }	" 0.61 "
10 Centiquarts.....1	Deciquart	{ 0.1 " }	" 6.1 "
10 Deciquarts.....1	Quart	{ 1. " }	" 61. "

The quart corresponding with the litre in the metric system, and containing one cubic deciyard of distilled water at its maximum density.

MEASURES OF WEIGHTS.

	1 dimillipound	(0000.1 pound)	equal to 0.7716 Troy grains.
10 dimillipounds.....1	millipound	{ 000.1 " }	" 7.716 " "
10 millipounds.....1	centipound	{ 00.1 " }	" 77.16 " "
10 centipounds.....1	decipound	{ 0.1 " }	" 771.6 " "
10 decipounds.....1	pound	{ 1 " }	" 7716 " "

The pound being the weight of five cubic centyards of distilled water at its maximum density, and equivalent to a half kilogramme of the metric system.

SECT. 2. *And be it further enacted,* That in the construction of contracts entered into before July 1, A. D. 1875, which mature thereafter, and in all legal proceedings after said date, the equivalents of the measures hereby established, as set forth in the foregoing tables in the terms of measures now in use, shall be used in computing and determining the values expressed in such contracts, according to the measures hereby established.

SECT. 3. *And be it further enacted,* That in all measures of surface or solidity the expression thereof shall be by the square or cube (as the case may require,) of the measures of length.

SECT. 4. *And be it further enacted,* That the use or employment of the measures heretofore and now in customary use, denominated dry measure, wine measure, avoirdupois weight, apothecaries' weight, and all other measures and weights except those hereby established, shall be unlawful after the 30th day of June, A. D. 1875, and all contracts made in the terms of such measures shall be void.

SECT. 5. *And be it further enacted,* That all acts and parts of acts inconsistent with the provisions of this act shall be null and void after the 30th day of June, A. D. 1875.

SECT. 6. *And be it further enacted,* That the use of the weights and measures hereby established shall be lawful and are hereby authorized at any time after the passage of this act.

A BILL

TO REGULATE THE SILVER COINAGE OF THE UNITED STATES.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled:

That the silver coins of the United States shall contain eight hundred and thirty-five parts of fine silver, and one hundred and sixty-five parts of alloy, in every thousand parts; and shall comprise:

Dimes of the value of.....	10 cents
Francs " "	20 "
Quarter dollars " "	25 "
Half dollars " "	50 "

Which shall be legal tenders for all public or private debts to the extent of two dollars only.

SECTION 2. *And be it further enacted,* That the weight of the dime shall be twenty-five decigrammes, metric weight, and that the weights of the other denominations shall be in proportion thereto; and that the shapes, legends and devices of said coins shall be fixed by the Director of the Mint, subject to the approval of the Secretary of the Treasury; provided, that such coins shall distinctly display their value and date, and that the diameters thereof shall, so far as may seem practicable, represent some even measure of length of the metric system.

SECT. 3. *And be it further enacted,* That all laws now in force relative to the coins of the United States, and the striking and coinage thereof, shall so far as applicable be extended to the coinage herein authorized—whether said laws are penal or otherwise—for the security of the coin, regulating and guarding the process of striking and coining, for preventing debasement or counterfeiting, or for any other purpose.

SECT. 4. *And be it further enacted,* That the Director of the Mint shall prescribe suitable regulations to insure a due conformity to the required weight and proportion of alloy in the said coins, and shall order trials thereof to be made from time to time by the Assayer of the Mint, whereof a report in writing shall be made to the Director.

SECT. 5. *And be it further enacted,* That all silver coins brought to the Mint, or its branches, for recoinage, after this act takes effect, shall be received by weight, and accounted for at the value thereof, according to the fineness of said coins in proportion to the standard hereby established.

SECT. 6. *And be it further enacted,* That this act shall take effect on the — day of — A. D. —, and all acts and parts of acts inconsistent with the provision of this act shall become null and void on the day preceding the date above named; but to facilitate recoinage, it shall be lawful for the Mint and its branches to receive silver coins for that purpose, on and after the — day of —, A. D. —, and to give receipts therefor, payable in the order of receipts in new coins, adding thereto the difference in value as ascertained at the Mint or branches; and to convert the metal so received into ingots and planchets, ready for stamping and issue when this law shall take effect.

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